

Herald Tribune

Published with The New York Times and The Washington Post

No. 29,742

**

PARIS, MONDAY, SEPTEMBER 25, 1978

Established 1887

In Mozambique

Rhodesia Strikes 25 Rebel Bases

SALISBURY, Rhodesia, Sept. 24 (UPI) — The military command said today that Rhodesian troops had destroyed 25 black nationalist guerrilla bases and clashed with a Mozambican armored unit during four days of operations "successfully completed" yesterday.

The command yesterday had announced the completion of four days of air and ground strikes and said that martial law had been imposed in some sectors of Rhodesia, but had imposed a news blackout on details of the strikes until participating commanders had been debriefed.

Breaking its silence, the command said today that Rhodesian forces battled with Mozambican regulars equipped with Soviet-supplied armored personnel carriers.

A communiqué said that the armored vehicles were "eliminated" but it gave no details on casualties. (Photograph: Page 2.)

The targets of the attacks were bases occupied by guerrillas of the Zimbabwe African National Liberation Army (ZANLA), headed by Patriotic Front co-leader Robert Mugabe.

Target of Raids

The recent self-defense operation against ZANLA terrorists into Mozambique was carried out successfully," the communiqué said. "Twenty-five bases were attacked in separate locations, the center of the target being approximately 70 kilometers [43 miles] from the Rhodesian border."

The communiqué said that the main target area was a complex of eight guerrilla bases in an area of about 12 square miles (33 square kilometers).

The operations — the first such strikes officially acknowledged since the military command reported that 10 guerrilla bases were "knocked out" in July — were supervised by Rhodesia's supreme military commander, Lt. Gen. Peter Walls.

Gen. Walls announced yesterday that martial law had been proclaimed "in certain carefully selected areas in Rhodesia." He did not spell out what martial law would entail and did not name the areas affected.

"I must emphasize that the declaration of martial law has been primarily designed to facilitate op-

erations by the security forces against terrorists and those who assist them by acts of lawlessness," he said.

"I wish to make it abundantly clear that martial law does not mean that the security forces will be licensed in behavior with complete abandon," he said.

Freedom of Action

Gen. Walls said that martial law was "designed to give the security forces additional freedom of action in order to deal more effectively with the terrorist menace" and vowed that it would be "administered responsibly and in good faith."

The completion of the raids and the announcement of martial law — both underscoring the intensification of the war — came on the eve of the second anniversary of Prime Minister Ian Smith's acceptance of the principle of majority rule.

On Sept. 24, 1976, Mr. Smith said in a dramatic announcement that he had accepted a majority rule blueprint drafted by Henry Kissinger, then U.S. secretary of state. The plan was to achieve majority rule in a two-year period but was rejected by black Africa's five "front-line states" and Rhodesian black nationalist organizations.

Mr. Smith has since concluded an "internal" agreement with three moderate black leaders, but it was rejected by the Patriotic Front co-leaders, Mr. Mugabe and Joshua Nkomo.

Callaghan, Kaunda Meet

KANO, Nigeria, Sept. 24 (UPI) — British Prime Minister James Callaghan flew home from Nigeria yesterday after apparently patching up a breach with Zambian President Kenneth Kaunda over oil sanctions against Rhodesia.

Mr. Kaunda voiced anger last week after an official report showed that some British Cabinet ministers apparently ignored illegal oil shipments to Rhodesia in defiance of a United Nations ban.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

To Promote China Boom

Japan to Seek Eased Trade With Reds

By Henry Scott-Stokes

TOKYO, Sept. 24 (NYT) — In a carefully planned policy move intended to help Japan greatly increase exports to China, the Japanese government next month will propose a drastic liberalization of controls on exports of strategic items to the Communist world.

The proposal is to be made, according to sources at the Ministry of International Trade and Industry, in a meeting of the Coordinating Committee for Export to Communist Countries due to start in Paris on Oct. 2.

A spokesman for the ministry said Friday that Japan had notified fellow members of the coordinating committee in the United States and other NATO countries that it will propose dropping 53 items from the list of items banned for export to the Communist world.

Officials said that Japan wants to lift controls on exports of comput-

ers, semiconductors and other computer-related items to boost plant and computer sales to China in the near future.

Major Role Wanted

Japan joined the trade committee as a full member in 1952, three years after its creation at the outset of the Cold War, and wants to play a major role in its decisions.

Following conclusion of a treaty of peace and friendship with China on Aug. 12, Japan looks forward to a major boost in trade with China under a long-term trade agreement worth more than \$20 billion over eight years.

After a recent visit to China, Toshio Komoto, the international trade and industry minister, said that this total should be boosted to four or five times the original scale, or about \$80 billion to \$100 billion, mainly imports by Japan of Chinese raw materials and oil, and exports to the mainland of sophisticated, heavy equipment and plants.

Japan has to get a relaxation of the international committee's rules, which it believes will be supported by the United States, in order to permit sale of heavy plants equipped with modern computer controls. The United States, according to officials here, proposes that 51 items be taken off the committee's list, including some computer items, but that 16 new items be restricted.

Computer Orders

Leading Japanese firms negotiating with China for orders that include computers are Hitachi, Toshiba and Nippon Steel. Hitachi plans to sell computers for geological prospecting and has already obtained U.S. consent to that deal, officials said.

In addition, Hitachi and Toshiba need approval to export know-how to go with a color TV plant, and Nippon Steel wants to supply computers to go with a large steel plant to be built near Shanghai. The cost in 1976 and 1977.

Photographs obtained by the two electronic experts, Giovanni Tamburini and Giovanni Garbotto, resemble those first produced by Eric Jumper and John Jackson in the Jet Propulsion Center of Pasadena in 1976 and 1977.

Techniques developed to study pictures sent to earth by space vehicles were used to show that the features of the man on the shroud appear in relief. If the shroud image had been painted, the computerized relief would instead show the marks of the painter's brush, the experts said.

At stake was West Germany's national security. All three men were East German spies who had used love as a weapon to learn West Germany's secrets.

East Germany has aimed at what appears to be the soft spot in West Germany's defenses against espionage: romantically vulnerable secretaries and other female employees of government agencies and political groups.

Miss Kahlig-Schaeffer, Miss Berger and Miss Kress all had access to government or political secrets. All three had been used by the men they loved to pass some of those secrets to East Germany.

The result has been disillusionment, betrayal and disgrace. There has also been punishment.

Miss Berger is serving a five-year prison sentence for espionage.

Miss Kahlig-Schaeffer is on trial in Dusseldorf on spy charges that could land her in prison.



Roland Begin, leader of Jura national movement, after voting in Delémont, capital of new canton. In background is canton's flag.

French-Speaking Area

Swiss Vote to Create New Canton in Jura

BERN, Sept. 24 (AP) — A new Swiss state was born today in a national referendum that changed the maps of the confederation for the first time in 130 years and was sure to be watched in other countries where autonomist movements are active.

By a large majority, voters approved a constitutional amendment creating the "Republic of Jura" as the 23rd canton of Switzerland and the sixth where French is the official language. It is hoped that the new canton will solve the multilingual country's most delicate minor-

ity problem that dates to Napoleonic times.

The vote was 1,309,722 to

281,917, or 82.3 percent for the new state. The turnout was 41.5 percent, slightly above average.

The vote brings self-rule to three mainly Catholic districts in the Jura region bordering France. They had been part of the mainly German-speaking and Protestant canton of Bern, the federal capital.

The new state has a population of about 67,500 settled in a largely rural area in the northwest of the country. The state capital is Delémont.

(Continued on Page 4, Col. 5)

Explosion of Joy

As results of the vote came in, there was an explosion of joy in the capital, decked with the red and white flags of the new canton. Foreign television crews on hand to cover the event included one from Quebec, the "Canadian Jura," as a Geneva newspaper called it.

The problem dates to the 1815 Congress of Vienna which reshaped Europe after Napoleon's defeat. The Congress attached the Jura to Protestant Bern after almost 800 years of autonomy as a Vatican-type principality ruled by Roman Catholic bishops.

Friction has flared repeatedly since then, with the secessionists

(Continued on Page 4, Col. 6)

First Big Visit

The mission, lead by Gen. Chang Tsai-chien, a vice chief of the general staff, was the first big official group to visit Japan after signing of the new treaty.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan flew home from Nigeria yesterday after apparently patching up a breach with Zambian President Kenneth Kaunda over oil sanctions against Rhodesia.

Mr. Kaunda voiced anger last week after an official report showed that some British Cabinet ministers apparently ignored illegal oil shipments to Rhodesia in defiance of a United Nations ban.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip Friday to northern Nigeria, accompanied by Foreign Secretary David Owen, had prompted speculation of a major breach, with possible economic reprisals by Zambia against British interests there.

Mr. Callaghan's hasty trip

Blaming Havana, Moscow

Somoza Releases Letter From U.S. Congressmen

MANAGUA, Sept. 24 (AP) — Nicaraguan President Anastasio Somoza, banting an uprising by guerrillas-led rebels, released a letter yesterday that he said was signed by 78 U.S. congressmen and that claimed the strife was caused by revolutionaries trained in Havana and Moscow.

The National Guard, Gen. Somoza's 7,500-man army and police force, said Friday that it had ended rebel resistance in Esteli, 90 miles north of Managua. It was the last of four cities that guerrillas of the Sandinista National Liberation front and rebel followers had held since Sept. 9.

Red Cross officials have estimated that about 1,500 persons were killed in the battles for the cities of Masaya, Chinandega, Leon and Esteli. There were reports that many of the guerrillas fled to the countryside before the guardmen made their final assaults.

The letter that Gen. Somoza said was signed by the U.S. congressmen was addressed to President Carter Friday. Gen. Somoza's press secretary said:

The New Cuba

Copies of the letter given to reporters here said, in part, that irrefutable evidence amply documents that the campaign of violence, urban terrorism and near civil war in Nicaragua is being carried out by a revolutionary group whose leaders have been trained in Havanas and Moscow and whose goal is to make Nicaragua the new Cuba of the Western Hemisphere.

No details of the evidence were listed.

According to the copies, the con-

gressmen told Mr. Carter, "We urge you do to your utmost to demonstrate the support of the U.S. government for Nicaragua and President Anastasio Somoza, a long and consistent ally of the U.S."

They said that to the absence of such support, some sectors of Nicaraguan citizens have begun to collaborate with the Marxist revolutionaries.

Among the signatures on the copies were those of House Majority Leader James Wright, D-Tex.; Rep. Samuel Stratton, D-N.Y.; Rep. John Flynt, D-Ga.; Rep. John Murphy, D-N.Y.; Rep. John Ashbrook, R-Ohio, and Rep. Robert Sikes, D-Fla.

Somoza Agrees to Meet

Gen. Somoza agreed Friday to the request by two Roman Catholic bishops and the head of a businessmen's organization to meet with opposition leaders to try and end the strife, but no meetings have been set.

On the same day, the U.S. Senate voted to eliminate \$8 million in development aid to Nicaragua because of Gen. Somoza's authoritarian rule.

Nicaragua was to receive \$2.5 million in military aid to finance arms purchases in this fiscal year ending Oct. 1. The state department blocked those allocations earlier because of alleged human rights violations.

OAS Bars Involvement

WASHINGTON, Sept. 24 (AP) — The Organization of American States, heavily influenced by a potent block of military regimes, adopted a resolution last night that rules out any OAS involvement in settling Nicaragua's political crisis.

A blandly worded resolution approved by consensus on the third day of a special OAS foreign ministers meeting was a victory for Gen. Somoza and for the forces advocating strict adherence to the organization's non-interventionist principles.

A Mexican proposal to deplore and censure the excesses committed to recent armed clashes in Nicaragua fell one vote short of a necessary two-thirds majority.

The key paragraph to the final resolution took note of Nicaragua's willingness to accept "the friendly cooperation and/or conciliatory efforts that several members states of the organization may offer toward establishing the conditions necessary for a peaceful settlement without delay."

The United States and Venezuela had led the fight for an activist OAS role.



RHODESIAN RAID — Bodies of Mozambique Frelimo troops, killed during strikes by Rhodesian forces on guerrilla bases, lie beside wrecked Soviet armored personnel carriers.

Senators' Invitation Poses Dilemma for Carter

U.S. 'Reviews' Visa Bid by Ian Smith

By Robert G. Kaiser

WASHINGTON, Sept. 24 (WP)

— The Carter administration is "reviewing" a request from Rhodesian Prime Minister Ian Smith and a delegation of officials from his multiracial regime for visas to visit the United States next month.

Twenty-seven senators led by S.L. Hayakawa, R-Calif., invited Mr. Smith, the Rev. Ndabani Ntshole, one of the two senior blacks in his regime, and others to come to the United States to present their case for U.S. support.

The invitation is potentially embarrassing for the Carter administration, because a visit here by Mr. Smith would probably turn into a public relations event on behalf of his plan for the transfer of power to blacks in Rhodesia, a plan that the administration has thus far adamantly opposed.

Mr. Smith reportedly travels on a Rhodesian passport. Because his regime is technically illegal under international law, the United States does not normally recognize such a passport. Granting a visa would violate United Nations sanctions against Rhodesia, according to opponents of the idea.

But the administration's "human rights" campaign has included calls

for removing restrictions on the rights of persons to travel freely, as some of the senators who joined in the invitation to Mr. Smith have noted.

The administration is reliably said to feel that because of the uncertain situation in southern Africa, it would be well advised to wait for a while before deciding whether to grant visas to the Rhodesian delegation. Mr. Smith and the others have made formal requests for visas through the U.S. Consulate in Johannesburg.

One informed source said a final decision would probably be made by President Carter personally.

The United States did grant a visa earlier in the summer to Bishop Abel Muzorewa, who with Mr. Ntshole is a key black member of the multiracial administration Mr. Smith established as a prelude to black majority rule in Rhodesia next year. Bishop Muzorewa apparently traveled on a British passport, which the United States recognizes. Rhodesia is regarded in international law as a British colony.

Given the precedent of the Muzorewa visit, an aide to Sen. Hayakawa said Friday that the administration's delay on this request did not make any sense.

Opponents of a Smith visit disagreed. For example, the board of directors and membership of TransAfrica, a black American lobbying group that seeks to influence U.S. policy toward Africa and the Caribbean, said in a letter to Mr. Carter that approval of the visas is prohibited by UN Security Council resolutions against Rhodesia.

The letter to Mr. Carter said: "By granting U.S. hospitality to the current Rhodesian leadership, the administration would devastate a fledgling constructive relationship between the United States and all of independent Africa by appearing to give at the very least a tacit endorsement to Smith's own legitimacy as well as to his plans for an internal settlement."

A TransAfrica spokesman said Friday night that the group was considering seeking a court restraining order blocking the issuance of a visa to Mr. Smith on the ground that this would violate UN sanctions.

The senators' letter inviting Mr. Smith stated that U.S. television networks "are eager and ready" to broadcast interviews with Mr. Smith if he comes here.

The letter also noted that a move in the Senate to drop sanctions against Rhodesia — a gesture that would amount to U.S. recognition of Mr. Smith's multiracial regime — was defeated by only a dozen votes last summer.

Small Nations Call on IMF To Ease Loans

WASHINGTON, Sept. 24 (WP) — Representatives of small nations yesterday called on the International Monetary Fund to ease the strict terms of their loans, and at the same time to make available even more money.

That was a key point in a communique issued after a meeting of the Group of Twenty-Four, chaired by A.G.N. Kazi, governor of the State Bank of Pakistan.

The session was one of several preliminaries to the opening tomorrow of the annual joint meeting of the IMF and World Bank. The IMF policy group, the Interim Committee, met today to discuss the poor nations' proposals, as well as the world economic outlook.

Mr. Kazi said that poor nations that borrow from the IMF are willing to accept a certain degree of strictness in terms — called "conditionality" — but he insisted that some of the conditions the IMF has been setting are "unacceptable."

He made particular reference to conditions affecting the pricing of commodities that some countries consider excessively harsh, or even an interference with their national prerogatives.

Radical economists have announced that the new canto will be a combat state to push this goal, although they insist that this would be done through nonviolence. Pro-Bernese radicals in the south have countered by saying that they consider this a declaration of war and warned that confrontation will escalate.

Radical economists have announced that the new canto will be a combat state to push this goal, although they insist that this would be done through nonviolence. Pro-Bernese radicals in the south have countered by saying that they consider this a declaration of war and warned that confrontation will escalate.

WEATHER

	C	F		C	F		
ALBANY	27	81	fair	MADRID	27	81	fair
AMSTERDAM	17	63	overcast	MIAMI	29	84	cloudy
ANKARA	18	64	fair	MILAN	23	73	mist
ANTWERP	24	75	overcast	MONTREAL	14	61	fair
BEIRUT	20	62	fair	MOSCOW	24	75	overcast
BELGRADE	19	64	cloudy	MUNICH	20	68	overcast
BERLIN	16	61	mist	NEW YORK	20	68	fair
BUCHAREST	17	63	overcast	NISSA	22	72	fair
BUDAPEST	18	64	overcast	OSLO	22	72	fair
CASABLANCA	18	64	overcast	PARIS	23	73	fair
COPENHAGEN	21	68	fair	PRAGUE	17	62	fair
DAKAR	22	72	overcast	ROME	24	75	fair
DUBLIN	24	75	overcast	SOFIA	24	75	fair
EDINBURGH	19	64	rain	STOCKHOLM	17	62	fair
FRANKFURT	15	57	overcast	TEHRAN	23	71	fair
GABORONE	22	72	overcast	TEL AVIV	27	81	fair
HELSINKI	20	64	cloudy	TOKYO	23	70	cloudy
ISTANBUL	22	72	overcast	TIRANA	26	77	cloudy
JAS PALMAS	31	85	fair	VIENNA	17	63	overcast
LISBON	22	72	fair	WARSAW	19	62	overcast
LONDON	22	72	fair	WASHINGTON	23	68	cloudy
LOS ANGELES	27	81	fair	ZURICH	21	70	cloudy

(Yesterday's readings U.S. and Canada at 1700 GMT; all others at 1200 GMT.)

Only Contender

Moi to Succeed Kenyatta As President of Kenya

NAIROBI, Sept. 24 (UPI) — Daniel Arap Moi, a popular politician who served as Kenya's vice president for 12 years, yesterday became the successor to the late President Jomo Kenyatta without any dissent.

Although a number of formalities remained to complete his election, the process became moot yesterday when Mr. Moi was the only candidate to submit his name for the presidency of the nation's only political party.

The executive committee of the party, the Kenya African National Union, will meet Oct. 6 to formally name Mr. Moi as chairman of its presidential candidate.

No Plebiscite

As the only contender, Mr. Moi will be declared president Oct. 21 without having to submit to a national plebiscite.

Speaking to a crowd after the nomination process was closed, KANU acting Secretary-General Robert Matano said:

"I have no alternative than to accept [Mr. Moi] as the only candidate and I declare him as the sole candidate for the party, and therefore the nominee for the presidential elections of the party."

Mr. Moi told his well-wishers that it was the duty of "every Kenyan to promote and maintain peace" and said that all leaders of the country have a commitment to "foster unity and understanding."

Mr. Moi, a 45-year-old former teacher, has been serving as acting president of Kenya since the death Aug. 22 of M. Kenyatta, who had led this east African nation since independence from Britain in 1963.

For all the speculation, primarily about the possibility of a runoff in Kenya following Mr. Kenyatta's death, the information because I did not want to see him."

She admitted that she received about \$17,000 in cash and about \$4,000 worth of gifts for her assistance to Mr. Krause over a 10-year period that ended when Mr. Krause was as West German agents closed in on Miss Berger. But she insisted that the money and gifts were only incidental to her desire to maintain her affair.

The information came from her jobs with the Foreign Ministry in Bonn, the West German Trade Mission to Warsaw and the West German Embassy in Paris.

Far more important information allegedly was passed by Miss Berger to the high-ranking official in the office of Chancellor Helmut Schmidt. Her case is considered one of the more important in a country that, because of its geography and recent history, is plagued with an estimated 10,000 spies.

Miss Berger's material reportedly consisted of German political papers on the Helsinki conference dealing with European security, Bonn's reaction to increasing Soviet influence in Africa, its economic strategy and East-West German relations and security matters.

The information, according to testimony at her trial, which is expected to last several weeks, greatly pleased East Germany. Mr. Schroeter reportedly wrote a note saying: "Your last information was first class, everyone here agrees."

© Los Angeles Times



Daniel Arap Moi

Bonn Warns Secretaries On E. German Love Trap

(Continued from Page 1)

Peter information because I did not want to see him."

She admitted that she received about \$17,000 in cash and about \$4,000 worth of gifts for her assistance to Mr. Krause over a 10-year period that ended when Mr. Krause was as West German agents closed in on Miss Berger. But she insisted that the money and gifts were only incidental to her desire to maintain her affair.

The information came from her jobs with the Foreign Ministry in Bonn, the West German Trade Mission to Warsaw and the West German Embassy in Paris.

Far more important information allegedly was passed by Miss Berger to the high-ranking official in the office of Chancellor Helmut Schmidt. Her case is considered one of the more important in a country that, because of its geography and recent history, is plagued with an estimated 10,000 spies.

Miss Berger's material reportedly consisted of German political papers on the Helsinki conference dealing with European security, Bonn's reaction to increasing Soviet influence in Africa, its economic strategy and East-West German relations and security matters.

The information, according to testimony at her trial, which is expected to last several weeks, greatly pleased East Germany. Mr. Schroeter reportedly wrote a note saying: "Your last information was first class, everyone here agrees."

© Los Angeles Times

Bonn Defense Chief Asks Review of NATO Games

(Continued from Page 1)

that would weaken Bonn's attachment to NATO make it more accommodating toward the Soviet Union.

Bonn Backs Haig

Mr. Schmidt's chancellery backed Gen. Haig, and Mr. Apel also made clear that he favored and understood the need for training.

Now, however, without endorsing what Mr. von Buelow said about provoking the East, Mr. Apel has said in a radio interview that "I have suggested to our friends in Brussels" that NATO headquarters "that we should get together after the maneuvers are over and discuss the military value, the military results and the political effect and presentation of these exercises."

"I'm not aware of any kind of tension between Bonn and Brussels on this issue," Mr. Apel said to his questioner. "I find it quite normal" to request such a discussion, he said.



EGGS FOR EVERYBODY — A team of chefs in Peekskill, N.Y., pours eggs into a 24-foot pan in an effort to break the world record for the largest omelet. The event, a benefit for the Peekskill area Health Care Center Inc., called for 10,400 eggs, which were broken in a record 15 minutes, according to sponsors. The Guinness Book of Records reports that 6,720 eggs were used to set the previous omelet record two years ago in Belgium.

Small Texas Companies Suspected

Oil-Pricing Violations Alleged in U.S.

By J.P. Smith

WASHINGTON, Sept. 24 (WP) — Federal energy and law enforcement officials in Texas are investigating alleged oil-pricing violations by a small group of little-known yet

unusually prosperous companies that could be costing consumers as much as \$1.5 million a day. Since domestic oil price controls were established in 1971, federal regulators have been setting the prices of various types of oil, ranging

Ex-U.S. Commerce Aide Charged With Corruption

By Larry Kramer

WASHINGTON, Sept. 24 (WP) — Former Interstate Commerce Commission official Robert Oswald, the central figure in a year-long U.S. investigation of alleged influence peddling at that agency, has been indicted by a federal grand jury on charges of bribery, obstruction of justice and conspiracy to defraud the United States.

The four-count indictment alleges that the former ICC Secretary and congressional liaison officer at the ICC accepted \$4,000 in cash, free trips to the Bahamas and to Hilton Head, S.C., and three cases of liquor "to influence his actions with regard to Consolidated Carriers Corp., a New York trucking firm with alleged ties to organized crime."

In a statement released by his attorney, Miles Ambrose, Mr. Oswald, 45, said: "I have committed no crime. I did not, as charged, obstruct justice, accept any bribes or act in a corrupt manner during my service to the government. I am innocent and I am sure this will be ultimately demonstrated."

Consolidated Carriers Corp., run by Thomas Gambino, son of the late Mafia family boss, Carlo Gambino.

According to the indictment, which was filed Friday in U.S. District Court in Washington, Mr. Oswald also obstructed justice by allegedly getting a grand jury witness — learned to be Washington attorney Theodore Polidoroff — not to reveal that Mr. Oswald had met over dinner with Carlo Gambino.

As part of the conspiracy, according to the indictment, Mr. Oswald recommended a private attorney to Consolidated, contrary to ICC Canons of Conduct, offered advice to Gambino vouching for Consolidated, directed an ICC attorney to assist Consolidated in preparing a case before the ICC and persistently requested an ICC commissioner to approve Consolidated's application for operating authority.

Also named in the indictment, but not charged, were Anthony Palmeri (also known as Tony Grande), a Brooklyn, N.Y., labor consultant, Washington attorney Martin Martino, who worked for Consolidated, and Washington lobbyist Deryl Fleming.

Palmeri and Mr. Fleming were alleged by the indictment to be present at an October, 1973, meeting during which Mr. Oswald

Newspaper in Zurich Struck by Journalists

ZURICH, Sept. 24 (AP) — Switzerland's first newspaper strike hit the 70,000-circulation tabloid *Tat* of Zurich yesterday, with the publisher reacting by dismissing 54 organized journalists and editorial secretaries for failing to show up for work, strike leaders said.

The strike was called to protest the publisher's nomination of a new managing editor without consulting the editorial staff. A letter signed by most staff members, including two members of the interim editorial management, said they had no confidence in the new managing editor and that they had learned of his nomination only from news agencies.

Orly and Roissy, the same boutiques as in Paris.



In State Supreme Court Ruling

Tax Revolt Law Is Upheld in California

By William Endicott

SAN FRANCISCO, Sept. 24 — The California Supreme Court has upheld the constitutionality of Proposition 13, the amendment on property tax reduction, declaring that it "survives each of the serious and substantial attacks made against it."

"Consistent with our own precedent . . . if doubts reasonably can be resolved in favor of the use of the initiative, we should so resolve them. This we have done," Associate Justice Frank Richardson wrote the 62-page majority opinion which was released Friday. It was signed by the other five associate justices.

Chief Justice Rose Elizabeth Bird filed a separate "concurring and dissenting opinion" in which she agreed with the majority on all but one point.

"One issue remains which troubles me deeply," she said. "Under article XIII A [Proposition 13] property taxpayers are not treated equally, and those sections which promote this disparity must fall."

Her reference was to arguments against the measure which claimed that it violated equal protection guarantees in the U.S. Constitution because recent homeowners will pay more property taxes than homeowners whose assessments are frozen, under its provisions, at 1975 levels.

Legal Clouds

Basically, Proposition 13 limits property taxes in the state to 1 percent of full cash value.

Despite the legal clouds that have hung over it from the day it passed, the Legislature and local governments proceeded to implement it on the assumption it would be upheld. County assessors throughout the state already have prepared new tax rolls based on it.

The decision's political impact undoubtedly will negate efforts by two conservative groups to unseat the chief justice when she faces voters in November for affirmation of her appointment by the governor.

But what effect it might have, if any, on the gubernatorial race between Gov. Edmund Brown Jr., the Democrat, and Attorney General Evelle Younger, the Republican, is unclear.

Gov. Brown campaigned against Proposition 13 but did a turnaround after it won overwhelming approval in the June primary and has become one of its biggest boosters.

Under the complex regulations of the Energy Department, it makes little difference to the refiners whether or not they purchase the higher-priced oil, because, in theory, all crude-oil costs to the refiner are equalized under the department's entitlements program.

The investigation is focusing on crude oil resellers among the small to middle-sized companies that make up "little oil" and account for a large share of the more than 400 oil companies based in Houston.

Originally, the resellers were companies that were literally engaged in gathering oil from producers and reselling it. As federal oil regulations — running more than 20,000 pages — mushroomed in 1973 and 1974, the number of resellers dramatically increased.

One of the reasons for the growth of resellers, investigators suspect, is that some of the companies were set up to generate power transactions that obscured the origins of the old oil.

Felony Offenses

Dana Caro of the FBI's Houston office said: "We are absolutely talking about felony offenses."

Mr. Caro, the assistant special agent in charge in Houston, called the resellers probe a "top priority white-collar crime investigation" that could lead to indictments under the racketeering statutes for mail and wire fraud.

Documents obtained by The Washington Post and informed sources say that among the major targets of the investigations are:

Bikers Protest In Paris; 5 Hurt

PARIS, Sept. 24 (AP) — Thirty riders were injured, five seriously, when 100 motorcycles slammed together early yesterday on the Paris peripheral highway after a demonstration by about 5,000 riders protesting government criticism of the dangers of big motorcycles.

The riders had converged Friday night at the Bastille in eastern Paris and then conducted a mass ride through the city.

They were demanding that authorities consider motorcycle safety in road planning, and protesting attacks on large-engined bikes by Road Safety Director Christian Gerondeau after the deaths of five riders attending a motorcycle race last week.

Portuguese Train Hits Station; 2 Die

LISBON, Sept. 24 (UPI) — A speeding passenger train crashed into a village station last night, killing at least two passengers and injuring about 100 others, authorities said.

The national news agency said that authorities had recovered two bodies from the wreckage of four derailed cars that smashed into the platform at Taveiro station.

Symbols in Gold 22 & 18 C

PARIS
364, RUE ST-HONORE (PLACE VENDOME)
GENEVA & BON GENE
ZURICH & GENEVE
ATHENS & PANTHEON AVENUE
THESSALONIKI & KTEL
TOWER OF ATHENS
HOTELS CHAMPS ELYSEES & ATHENS HILTON
GREEK ISLANDS
MYKONOS, CORFU, RHODES

In State Supreme Court Ruling

Tax Revolt Law Is Upheld in California

Los Angeles attorney William Norris, who represented 27 school and community college districts in challenging the constitutionality of the measure, said he would have no comment on the decision until he had read it.

The was no indication of plans to appeal to the U.S. Supreme Court.

which has always refused to interpret state constitutions, but the equal protection argument stressed by Chief Justice Bird in her limited dissent, because it involves the U.S. Constitution, could provide a basis for such an appeal.

Los Angeles Times

U.S. Adopts '79 Budget; Lowest Deficit in 5 Years

WASHINGTON, Sept. 24 (UPI)

Congress adopted yesterday a 1979 federal budget with the lowest deficit in five years, and an influential senator said that a balanced budget may now be possible before 1983.

In a rare Saturday session, the Senate gave final congressional approval with a 47-to-7 vote.

The budget, for the fiscal year beginning Oct. 1, calls for \$487.5 billion in spending and a \$38.8 billion deficit. These figures are \$11 billion and \$12 billion less respectively than projected in a target budget for the same year approved by Congress in May.

The new deficit is nearly \$2 billion less than President Carter first projected in January for 1979.

The session was called by Senate Democratic Leader Robert Byrd of West Virginia in an effort to reduce a heavy backlog of bills awaiting action before the adjournment of Congress.

The vote was on a compromise version of the budget negotiated by a House-Senate conference and approved last week by the House.

Lower Costs

Sen. Edmund Muskie, D-Maine, chairman of the Senate Budget Committee, said the reduced deficit was due in part to lower than expected costs in existing programs.

But some of the reduction, he said, was due to "deliberate congressional action" to cut back on new programs. For that reason, he said, Congress could be proud of the budget.

"It gives us real reason to hope that we can balance the budget earlier than the 1983 target established in the budget process," he said.

The budget does not have to be signed and cannot be vetoed by President Carter. Congress set up a new budget four years ago under which it prepares the only federal budget that is binding. The budget submitted by the president each January states the administration's goals and recommendations.

In scaling down its tentative May budget, Congress called for cuts in international affairs, community and regional development, fiscal

assistance to localities and housing.

However, decisions in the budget on how spending should be divided are not binding on Congress when it considers specific legislation.

They are only guidelines, although they have considerable persuasive weight.

Some Leeway

The only figures in the budget that are binding on Congress are those for total spending, revenues and the deficit. Thus Congress can shift the priorities outlined in the budget by taking away from one area and giving to another when it passes specific legislation.

The budget makes room for general tax cuts during the 1979 calendar year of \$19.4 billion, or about enough to compensate taxpayers for higher Social Security taxes plus the effect inflation has of pushing them into higher tax brackets.

The budget recommends several broad policies for Congress to pursue in later legislation:

- It contains provisions for both college tuition tax credits and increased grants and loans for college education but recommends that Congress enact one of these programs, not both.

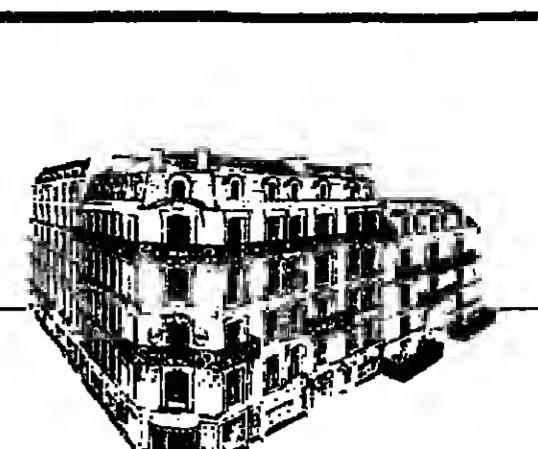
- It recommends lower spending for health through federal and private efforts to hold down inflation in health care.

- It calls for gradually reducing the number of anti-recession public service jobs and putting more effort into youth employment and bringing the unemployed into private sector jobs.

"It gives us real reason to hope that we can balance the budget earlier than the 1983 target established in the budget process," he said.

The budget does not have to be signed and cannot be vetoed by President Carter. Congress set up a new budget four years ago under which it prepares the only federal budget that is binding. The budget submitted by the president each January states the administration's goals and recommendations.

In scaling down its tentative May budget, Congress called for cuts in international affairs, community and regional development, fiscal



Christian Dior BOUTIQUE

Ready-to-wear Collections
for Ladies and Gentlemen
Ready-to-wear Fur Collection
Fashion accessories
and Gifts

2. Your mother worries.

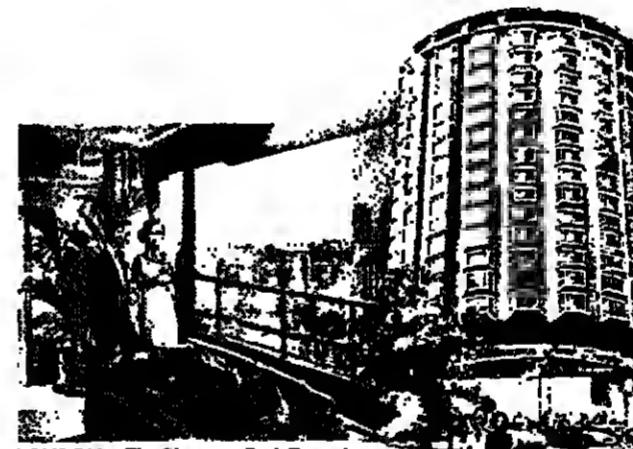
(Another good reason to call home.)
An international call is the next best thing to being there.

"Gitanes Internationales" carton: 29,50F tax free.



Orly and Roissy boutiques.

Sheraton. The fastest-growing of the three luxury hotel chains.



LONDON — The Sheraton Park Tower is in Knightsbridge, one of London's favorite shopping areas. It's a 10-minute walk from Harrods and a popular place to stay. In case it should be booked out, we have two more fine hotels at Heathrow Airport.



LONDON-HEATHROW — The pool area at our London St. James, right at Heathrow Airport, is 80 feet high, big as a football field, glass-enclosed. Dry off and sit down to a luscious Caribbean dinner. The best escape in town.



LUXEMBOURG — The Aerogolf Sheraton lies in a deep, green forest close to the international airport, on the edge of a superb golf course. You get a courtesy membership with your reservation. Further features: the Cockpit Bar and a striking restaurant in a flower garden.

Sheraton Hotels

For reservations in any Sheraton Hotel in Europe, Africa, the Middle East, and around the world, call — or ask your travel agent to call — the nearest Sheraton Hotel or Reservation Office.



IN EUROPE: AMSTERDAM, BRUSSELS, COPENHAGEN, FRANKFURT, LUXEMBOURG, LYON, MILAN, PARIS, ROME, STOCKHOLM, TEL AVIV, ZURICH, AND IN AFRICA, PARIS, DAKAR, NAMIBIA, CAPE TOWN, JEDDAH, AL KHAFJ, AL KHOR, AL KHAFJ, AND AROUND THE WORLD.

Interview Following Vance Visit

Hussein Voices Summit Pact Objections

The following is an interview given by King Hussein of Jordan, the first he has given since the summit meeting at Camp David. It was conducted by Arnaud de Borchgrave, a senior editor at *Newsweek*.

Mr. Borchgrave — Did [U.S. Secretary of State] Cyrus Vance's explanations change your perceptions of the Camp David accords or did they confirm your own reservations?

King Hussein — They confirmed our reservations. But they also gave us an opportunity to ask some hard questions about meanings and interpretations. He responded to some of them but not all of them and we are now awaiting answers to our key questions.

Q. — Were you encouraged by any part of the framework for peace in the Mideast?

A. — As it now stands we were not encouraged. It deviated from [UN Resolution] 242, which had previously been the U.S. position. Much has to be revised before it will become acceptable to us and to our Arab partners. The self-determination provision for the Palestinians are still very vague. It must include total withdrawal and Arab sovereignty over Arab Jerusalem, otherwise there is nothing to negotiate about.

Q. — Why couldn't Palestinian Arabs take advantage of the Camp David rules, establish a local government with full autonomy and gradually enter into good relations with Egypt, Jordan, Saudi Arabia and so forth? That's how many states in the world achieved their independence.

A. — It's too early to say what our final position will be. We must, for example, know whether self-rule will include the people of Jerusalem. They make up one fifth of the West Bank population. There is also the Israeli settlements question.

Q. — What are Jordan's conditions for entering the negotiating process as it has been invited to do by the U.S.?

A. — We must know what lies at the end of the road, where we come out. There is a great imbalance between the two agreements. One on Sinai is very clear. The other is discouraging, to say the least.

Q. — If the Rabat decisions [at the Arab League summit conference of October, 1974, during which Jordan and other Arab states recognized the Palestine Liberation Organization of Yasser Arafat as the "sole legitimate representative of the Palestinian people"] were to be rescinded and your negotiating mandate restored by the nations principally concerned, would the Camp David framework be an acceptable procedure?

A. — I have serious doubts about that. Egypt would be out of the picture so to speak with its separate peace treaty. It would place tremendous limitations on us and weaken our negotiating position. A lasting, overall solution is our only concern, not a piecemeal, step by step approach. We must have a clear track if we are to take positive steps.

Q. — Did Arafat give you any indication that he would be willing to hand back the negotiating mandate and let you give it another try?

A. — Our meeting was rather a pleasant surprise and most gratifying. Both [Lybian leader Col. Moamer] Qadhafi and Arafat warmly endorsed our steady course, which has finally gained recognition among those who

misunderstood us in the past. They expressed friendship and approval of our policies. We agreed to maintain close contact in the future in order to avoid the mistakes of the past. It's too early to talk about a resumption of the negotiating mandate.

Q. — Why were Qadhafi and Arafat so anxious to see you Friday?

A. — Because the situation is critical in the entire area. It was very moving to see them change their attitude toward us.

Q. — Did they invite you to join their summit in Damascus?

A. — No. What happened was that Qadhafi called me after Vance left and said he wanted to see me.

When I agreed, he suggested a meeting in Damascus but that was not convenient because of my heavy schedule. I then invited him to Amman. He called back later and suggested a meeting on the border instead. We finally agreed on the Marafak Air Base. But I did not know Arafat was with him until they reached the border yesterday morning.

Q. — [Egyptian President Anwar] Sadat obviously does not feel that your hands are still tied by Rabat. Do you?

A. — Historically, Rabat was a very important development in the area. This does not mean that we are shirking or dodging our responsibilities. Quite the contrary. But we must know where we're headed first.

Q. — President Sadat says that if you feel you cannot get involved in the Camp David process, he will negotiate with Israel over the West Bank and Gaza and include some PLO members in his delegation. Any objections?

A. — Sadat is entitled to his own opinions. Until now he has succeeded in moving away from his commitments to his Arab partners. Q. — How?

A. — By abandoning his insistence on a need for a comprehensive overall settlement.

Q. — Do you now feel closer to Syria's position or to Egypt's?

A. — Closer to Jordan's. But the Syrian position is not all that different from Jordan's. We both agree on 242 and the return of all the occupied territories. Including Arab Jerusalem, and self-determination for the Palestinians, in return for final peace in the area.

Q. — What did Vance have to say about the future of Israeli settlements on the West Bank?

A. — He didn't have any clear answers. We've heard so many conflicting versions that it is hard to escape the conclusion that Israel has not yet given up its expansionist designs in the remaining occupied territories.

Q. — And East Jerusalem?

A. — The U.S. position is clear but it needs further clarification insofar as the Arab population of the city is concerned and whether or not they are included in the self-determination proposal.

Q. — The U.S. listed quite a few advantages for the Arab side, including the return of all of Sinai. The end of Israel's military occupation of the West Bank and Gaza. The recognition of full autonomy for the Palestinians living there, the reduction of Israel's military garrison from 11,000 to 6,000 with the remaining troops to be withdrawn to specially designated areas, etc.

Doesn't all this add up to a step forward, rather than the unmotivated catastrophe described by Syria?

A. — It's not really a step forward as the U.S. has taken a step back from 242.

Q. — The U.S. stands accused of splitting the Arab world by taking Egypt out of the military equation and thus insuring against a fifth Arab-Israeli war. The Arab world couldn't have been more split than it already was and why should the U.S. be blamed for trying to head off another war in the area?

A. — The Arabs themselves are certainly more responsible for this state of affairs than the United States. Egypt has caused the split.

Q. — The U.S. is saying to Jordan, in effect, please get aboard the peace train or you'll be left behind and become irrelevant. What's your answer?

A. — We have acted and will continue to act in what we believe to be the best interests of the Palestinian people, regardless of how we're viewed in Washington or anywhere else.

Q. — Is it your understanding that the framework agreements for peace in the area and for peace between Egypt and Israel are linked or separate?

A. — We've heard so many different versions that we're beginning to wonder about the whole exercise. But at this stage we have been told they are separate and not linked.

Q. — Where are the diplomatic bootstraps in the Camp David accords as you see them?

A. — What has come out of the general framework is a *flagstaff* for Britain's plan. Pure *status quo*, *Look at me*, of [Israeli Prime Minister Menachem] Begin's statements.

Q. — President Sadat says that if you feel you cannot get involved in the Camp David process, he will negotiate with Israel over the West Bank and Gaza and include some PLO members in his delegation. Any objections?

A. — Sadat is entitled to his own opinions. Until now he has succeeded in moving away from his commitments to his Arab partners.

Q. — How?

A. — By abandoning his insistence on a need for a comprehensive overall settlement.

Q. — Do you now feel closer to Syria's position or to Egypt's?

A. — Closer to Jordan's. But the Syrian position is not all that different from Jordan's. We both agree on 242 and the return of all the occupied territories. Including Arab Jerusalem, and self-determination for the Palestinians, in return for final peace in the area.

Q. — What did Vance have to say about the future of Israeli settlements on the West Bank?

A. — He didn't have any clear answers. We've heard so many conflicting versions that it is hard to escape the conclusion that Israel has not yet given up its expansionist designs in the remaining occupied territories.

Q. — And East Jerusalem?

A. — The U.S. position is clear but it needs further clarification insofar as the Arab population of the city is concerned and whether or not they are included in the self-determination proposal.

Q. — The U.S. listed quite a few advantages for the Arab side, including the return of all of Sinai. The end of Israel's military occupation of the West Bank and Gaza. The recognition of full autonomy for the Palestinians living there, the reduction of Israel's military garrison from 11,000 to 6,000 with the remaining troops to be withdrawn to specially designated areas, etc.

Doesn't all this add up to a step forward, rather than the unmotivated catastrophe described by Syria?

Q. — If you were a West Banker, wouldn't you be tempted to give the self-governing plan a try and hope that you can then expand it at the end of the five year period. After all, the accords say that no later than the third year, negotiations will begin to determine the final status for the West Bank and Gaza.

A. — I'm not a West Banker and I cannot speak for them. But my own family has been linked to Palestinian rights since the beginning of this century. Looking back at the long, dismal record of Zionist expansion in the area, plus recent statements, there is no room for optimism.

Q. — If you don't get involved, isn't there a danger of Israel creating a sort of Arab Bantustan [a black enclave of South Africa with limited self government] of the West Bank?

A. — We definitely will be involved if we know that the end result will be satisfactory. Short of that, we cannot move, and no amount of pressure, regardless of where it comes from, will change our mind.

Q. — Egypt and Israel other interested parties will work to establish agreed procedures for a prompt, just and permanent solution of the refugee problem. What is a practical solution in your judgment?

A. — Return of the refugees or compensation, as provided by countless U.S. resolutions and as stated by President Carter himself.

Q. — Are you planning to go to the U.S. in October as requested by President Carter?

A. — No. I don't think it would be proper to go in the middle of the [U.S.] election campaign. I will probably go early in the new year unless new developments warrant an earlier trip.

One measure of the mood was the casual security along the route. At the airport, white uniformed police and plainclothes had to beat off the crowd as it pressed around Mr. Sadat. But in the city center, spectators were easily held back by other mostly unarmed policemen and no security men were visible on top of the surrounding buildings.

The government-encouraged turnout seemed aimed at not only strengthening Mr. Sadat's political hand for the delicate negotiations ahead but also at overriding outside Arab objections to the pledges of peace that he has exchanged with Mr. Begin. Aside from criticism by the small Egyptian leftist party and some followers of the late President Gamal Abdel Nasser, domestic sentiment has been staunchly behind the Egyptian leader.

Q. — Are you planning to go to the U.S. in October as requested by President Carter?

A. — No. I don't think it would be proper to go in the middle of the [U.S.] election campaign. I will probably go early in the new year unless new developments warrant an earlier trip.



Orthodox Jewish members of the ultra-Orthodox Gush Emunim sect scale barbed wire before dawn Sunday to reach a hill on the Israeli-occupied West Bank of the Jordan, where they have been attempting to set up illegal settlements in protest to the Camp David peace agreements.

On Return From Summit Mission

Egyptians Give Sadat Rousing Welcome

By Christopher S. Wren

CAIRO, Sept. 24 (NYT) — President Anwar Sadat returned home yesterday from his summit meeting at Camp David and was accorded a lively welcome by cheering Egyptians who lined the streets from the airport to his residence on the Nile.

Hundreds of thousands of well-wishers, some clad in the traditional turban and flowing *galabeya* of the Egyptian peasant, clapped, whistled and chanted slogans of support as Mr. Sadat's open black limousine moved past behind a phalanx of motorcycles and security cars. Mr. Sadat stood and strewn his arms out in response.

Red, white and black Egyptian flags fluttered from the lampposts.

Mr. Sadat is expected to report on his visit to Camp David and to disclose his future intentions when he addresses the Egyptian People's Assembly next Thursday. In the meantime, he has begun shoring up his position with Arab allies before

negotiating a peace treaty with Israel. Yesterday, he flew home. His motorcade from the airport into town went in one direction while another motorcade for Libyan leader Col. Moamer Qadhafi headed to his residence. Mr. Sadat's deputy premier, Hassan el-Tohmy, flew from the meeting in Morocco to see Saudi Arabia's King Khalid, who is Geneva for medical treatment.

According to Egyptian newspaper reports, thousands of pro-Sadat marchers were brought in today from Ismailia on the Suez Canal, Assiut and Aswan in upper Egypt and Kafr el-Sheikh in the Nile delta.

But the vast majority along the homecoming route seemed to have come on their own initiative or been drawn by the spectacle.

Support Song

Mr. Sadat is expected to report on his visit to Camp David and to disclose his future intentions when he addresses the Egyptian People's Assembly next Thursday. In the meantime, he has begun shoring up his position with Arab allies before

negotiating a peace treaty with Israel. Yesterday, he flew home. His motorcade from the airport into town went in one direction while another motorcade for Libyan leader Col. Moamer Qadhafi headed to his residence. Mr. Sadat's deputy premier, Hassan el-Tohmy, flew from the meeting in Morocco to see Saudi Arabia's King Khalid, who is Geneva for medical treatment.

According to Egyptian newspaper reports, thousands of pro-Sadat marchers were brought in today from Ismailia on the Suez Canal, Assiut and Aswan in upper Egypt and Kafr el-Sheikh in the Nile delta.

But the vast majority along the homecoming route seemed to have come on their own initiative or been drawn by the spectacle.

Despite their more militant stance, these guerrilla leaders nevertheless expressed satisfaction with the results of the summit.

"We had no illusions and did not expect more, but we are satisfied because the secret decisions do envisage practical measures to fully implement the Camp David agreement," said Bassam Abu Sharif, Mr. Habash's spokesman.

Mr. Mohsen described the final document as definitely better than those following the two previous summits of the front.

DAs End Soviet Tour

MOSCOW, Sept. 24 (UPI) — A delegation of 12 U.S. district attorneys today ended a 13-day official visit to the Soviet Union. The group met with Soviet prosecutors and justice officials in Moscow, Leningrad, Tashkent, Samarkand and Odessa in the course of their tour.

U.S. officials, speaking privately, said that they hoped only to persuade Mr. Assad to temper his opposition to the Camp David agreement calling it the summit of surrender.

Mr. Mohsen described the final document as definitely better than those following the two previous summits of the front.

Old ways of fighting die hard in the military, so there will be rear-guard actions to save the superweapons. But the trend is clear.

Like dinosaurs, the superweapons bung out busters identifying their firms with Mr. Sadat's peacemaker image.

Although not as close to extinction, the giant submarines Adm. Hyman Rickover has been championing under his "bigger is better" philosophy are at least an endangered species, and Army heavy tanks may make that list before the decade is out.

Old ways of fighting die hard in the military, so there will be rear-guard actions to save the superweapons. But the trend is clear.

Like dinosaurs, the superweapons bung out busters identifying their firms with Mr. Sadat's peacemaker image.

Although not as close to extinction, the giant submarines Adm. Hyman Rickover has been championing under his "bigger is better" philosophy are at least an endangered species, and Army heavy tanks may make that list before the decade is out.

Old ways of fighting die hard in the military, so there will be rear-guard actions to save the superweapons. But the trend is clear.

Like dinosaurs, the superweapons bung out busters identifying their firms with Mr. Sadat's peacemaker image.

Although not as close to extinction, the giant submarines Adm. Hyman Rickover has been championing under his "bigger is better" philosophy are at least an endangered species, and Army heavy tanks may make that list before the decade is out.

Old ways of fighting die hard in the military, so there will be rear-guard actions to save the superweapons. But the trend is clear.

Like dinosaurs, the superweapons bung out busters identifying their firms with Mr. Sadat's peacemaker image.

Although not as close to extinction, the giant submarines Adm. Hyman Rickover has been championing under his "bigger is better" philosophy are at least an endangered species, and Army heavy tanks may make that list before the decade is out.

Old ways of fighting die hard in the military, so there will be rear-guard actions to save the superweapons. But the trend is clear.

Like dinosaurs, the superweapons bung out busters identifying their firms with Mr. Sadat's peacemaker image.

Although not as close to extinction, the giant submarines Adm. Hyman Rickover has been championing under his "bigger is better" philosophy are at least an endangered species, and Army heavy tanks may make that list before the decade is out.

Old ways of fighting die hard in the military, so there will be rear-guard actions to save the superweapons. But the trend is clear.

Like dinosaurs, the superweapons bung out busters identifying their firms with Mr. Sadat's peacemaker image.

Although not as close to extinction, the giant submarines Adm. Hyman Rickover has been championing under his "bigger is better" philosophy are at least an endangered species, and Army heavy tanks may make that list before the decade is out.

Mrs. Marcos's Influence Growing in Philippines

By Jay Mathews

MANILA, Sept. 24 (WP) — When Imelda Romualdez married Congressman Ferdinand Marcos just 11 days after she met him in 1954, the impulsive young woman seemed destined to be little more than an unusually decorative political wife.

Now, as her husband begins his seventh year of one-man martial law rule over the 44 million persons of this former U.S. colony, there are growing signs that she will be named his successor. It is a prospect that angers Mr. Marcos's opponents and worries diplomats. But it does not surprise anyone who has watched Imelda Marcos's political performance during the last few years.

Mrs. Marcos, now a Cabinet minister and governor of greater Manila, has denied for weeks that she will be appointed to the new post of deputy premier, second to Mr. Marcos, who serves as premier and president. But last week she called in a Filipino reporter working for a foreign news agency to say that she might have to accept the appointment and someday succeed her husband to save his political legacy.

Although Imelda Marcos appears to be an energetic administrator, she is not as careful a politician as her husband and has generated some resentment. She likes fine jewelry, all-night parties and shopping trips to New York. Mr. Marcos himself stops just short of being an ascetic. In approaching people he says, "The president thinks his way in; I feel my way in."

Seen as Erratic

The thought of her beading the government bothers some U.S. diplomats. They see her as an erratic person who may not share her husband's personal commitment to the United States, forged when he fought alongside the Americans in World War II. Washington still is this country's principal ally despite Manila's increasingly nationalistic foreign policy. For instance, Mrs. Marcos recently suffered a minor disaster when, ill-prepared, she met U.S. congressmen in Washington and tried to finesse their complaints about the Marcos administration with pure charm.

Her effort to project the image of a private person reluctant to assume the reins of power also has begun to wear thin here. Both she and Mr. Marcos have denied vigorously that she would be appointed deputy premier, but long-time observers noted that the couple had issued the same denials before she was selected as Manila governor and as leader of the pro-Marcos Manila slate in the April election for an interim National Assembly.

In a recent interview with Agence France-Presse, she acknowledged that she had begun to change her mind. In the event of a difficult transition following Mr. Marcos's death or incapacity, who

Report Emphasizes Need For Recycling Incentives

By Deborah Ward

WASHINGTON, Sept. 24 (IHT) — Recycling should become a central organizing principle of our economy if the world is to learn to live with restricted and dwindling supplies of minerals, energy and other resources, asserts Denis Hayes in a new Worldwatch Institute report.

At least two-thirds of the materials resources that are used could be recycled without substantial changes in lifestyles, Mr. Hayes said. The technology exists to accomplish this level of recycling, but the social commitment is lacking.

The Worldwatch Institute, funded in part by the United Nations, is a research organization that aims to study environmental problems in the world.

The report said that the absence of a recycling commitment is not only hurting U.S. resources, it is also very costly. "More than one-fifth of the total U.S. energy budget is spent on materials production," Mr. Hayes said, "and that fraction is rising as increasing amounts of more expensive energy are used to mine and process poorer and poorer grade ores."

For example, the report says that only 4 percent as much energy is required to recycle aluminum as to refine bauxite ore. The energy needed to process copper and plastics is also reduced by about 95 percent when recycled copper and plastics are processed.

"Disposable plastic containers that are discarded without thought by the Japanese would be carefully used and reused by Tanzanian villagers," Mr. Hayes said. "The Japanese, in turn, are aggressive purchasers of scrapped U.S. automobiles, leading to the quip that this year's Buick is next year's Datsun."

Way to Cut Waste

In addition to conserving energy and resources, recycling also cuts waste, Mr. Hayes said. In the United States, almost one ton of solid waste per person is collected annually from residential and commercial sources. Most of this waste is deposited in open dumps, which now must be created at the rate of 500 a year.

According to Mr. Hayes, this problem can be alleviated by implementing three complimentary recycling strategies: waste separation, waste recovery and waste reduction. Waste separation, in partic-



After Long History of Denials

China Concedes Inflation Is a Problem

By Fox Butterfield

HONG KONG (NYT) — China for the first time has acknowledged that inflation has become a problem for some of the three billion.

The admission came in the form of a letter to the editor of the official party paper, *Jenmin Jih Pao*, by two persons who were said to be Peking residents. The writers complained that the prices of fruit and vegetables in the Chinese capital had increased considerably this year, with the cost of grapes doubling to about 21 cents a pound.

"Most residents of Peking are families of four and five," the writers said. "Most do not have high incomes. What shall we do if this situation continues?"

Matter of Faith

Foreign analysts here were intrigued by the letter, because the Chinese Communists have long insisted, virtually as a matter of faith, that there is no inflation in China. The Communists have been particularly sensitive about inflation because their victory over the Chinese Nationalists in 1949 was, in part, to years of runaway prices under the old regime.

The analysts caution that the letter's description of increased prices for beans, tomatoes, persimmons, melons and other foods does not mean the return of wholesale inflation in China, because a large proportion of fruit and vegetables is sold in private or free markets, rather than in government stores. And the authorities have never been able to regulate prices in the free markets as fully as they do with staples like rice, cloth and cooking oil, which are rationed and sold in state shops.

But the admission of increased prices for some goods suggests that the wage increase given to about 60 percent of China's urban work force earlier this year may have had an effect on prices.

Before the wage increase was decreed, as part of Peking's pragmatic push for economic development, most workers had not had a pay raise for two decades.

Some economists had forecast that the wage increase could lead to inflation unless Peking made simultaneous moves to expand the supply of consumer goods to soak up the new funds.

More Realistic View
The appearance of the letter also seems to reflect a new, more realistic willingness on the part of the Communist leadership to acknowledge problems like inflation, shortages and difficulties in motivating workers. In the past, the Communists have simply denied that there was any inflation and claimed that they had overcome it through austere budgeting practices, tight control of wages and isolation of the country from international price fluctuations.

Western economists generally agreed that the Communists have had an impressive record in controlling inflation, but they believe there have been some hidden price rises.

Another indication of the Communists' new candor is that a book long on sale in Peking's bookstores, "Why China Has No Inflation," has disappeared in the last few weeks.

Moreover, a Japanese politician

lar, is an effective way to recover materials such as glass, aluminum, ferrous metals, plastics and papers for recycling. About 500 source separation programs are already under way in the United States and more comprehensive programs are under way in other countries.

Sweden, for example, will require the separation of wastepaper from all other garbage in homes, shops and offices by 1980.

In Switzerland and West Germany, large glass recycling operations have been consuming increasing amounts of recycled glass for a number of years now.

Mr. Hayes cited Leningrad as a good example of a city that is doing something about waste. By 1985, the city of 4.3 million expects to process all of its municipal solid wastes through huge resource recovery plant.

Although several small steps are being taken to encourage recycling, Mr. Hayes emphasized that more economic and social incentives are needed to develop a material-conserving ethic. Cooperation in recycling efforts can not only be legislated; broad public support is necessary if we are to make the most of what we already have."

Flaine-french-alps the international resort

44 MILES FROM GENEVA
APARTMENTS ARE FOR SALE IN
DE LUXE CONDOMINIUMS

Designed by world famous architect Marcel Breuer. Flaine offers 100 miles of ski runs, cross country skiing, skating rink, heated swimming pool, sauna, 26 tennis courts in summer time, riding...

For entertainment, concerts, art exhibitions, cinema, night-clubs, bridge tournaments...

Apartments of 1, 2 and 3 main rooms are available at Flaine-Forêt. "American" kitchens including dishwasher, refrigerator. First quality materials have been used. Prices range from 165 000 F to 550 000 F.

For a rock sound investment call: Flaine real estate 23, rue Cambon 75001 Paris - Tel.: 261.55.17. ♀

Can Control Boll Weevils, Worms

Scientist Says Fire Ants May Not Be All That Bad

By Bayard Webster

NEW YORK, Sept. 24 (NYT) — The fire ant, which has a reputation for ferocity and pain infliction between that of the yellow jacket and the man-eating shark, may not be all bad, a Texas A & M entomologist has discovered. In fact, it may sometimes be beneficial.

The finding was made by Dr. Winfield Sterling, an entomology professor at the Texas A & M University in College Station, Texas. Prof. Sterling has worked in cotton fields for the last seven years in an attempt to find better ways of controlling boll weevils and bollworms, which have become resistant to most pesticides. He found that the fire ant was a voracious predator of the cotton worms and weevils.

In controlled tests on cotton farms near Huntsville, just north of Houston, Prof. Sterling and a team of graduate students and technicians found that as many as 85 percent of young boll weevils and 93 percent of bollworm eggs were eaten by fire ants without damage to cotton crops.

He said that, as he and his researchers began testing cotton plots by using nontraditional pesticides, they noticed that in the plots where there were fewer bollworms and weevils.

Weevils Decreased

"We also noticed that there were lots of ants around," he said. "And after a couple of years of no pesticide use, we noticed that the ants increased and the weevils decreased," he added. "And last year on one field where we used no pesticides at all we found many ants and there was no economically significant damage from weevils or bollworms."

The boll weevil is a quarter-inch-long beetle. It lays its eggs in the cotton boll and the beetle larvae, when hatched, destroy the cotton. The bollworm, a moth, lays its eggs on the cotton plant's leaves and the hatched worms feed on the boll. In experiments with infested crops, Prof. Sterling found that fire ants, which range from 1/4 to 1/2 of an inch in length, would avidly eat bollworm eggs, weevil larvae and even young boll weevil beetles.

"All of this is greatly surprising to us," said Prof. Sterling, whose findings on fire ant predation on weevils has been published in the current issue of *Environmental Entomology*. "We have read for years that the boll weevil has no effective biological control agent. But here, in the fire ant, is a predator we didn't even know about that already existed in nature," he said.

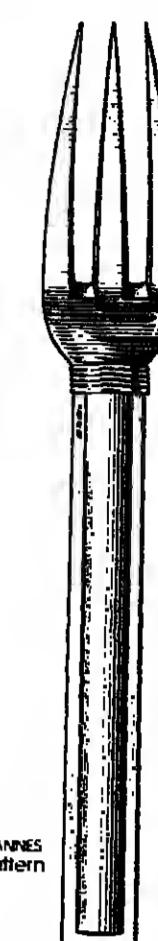
Opposition Expected

Although he is aware that there will be considerable opposition to any proposals for using the beneficial attributes of fire ants, Prof. Sterling noted that his field tests showed that cotton can be grown with little or no chemical treatment, an almost unheard-of occurrence in the boll weevil and bollworm infested areas of eastern Texas.

"It gives us great hope that the cotton insect pest management program can be developed without the wide-spectrum insecticides that are now in use," he said.

The fire ant is found in almost all southern states. Its venomous sting is usually painful and can occasionally cause serious reactions. Mirex, the favored chemical for fire ant control, was banned in June because it breaks down into kepone, a long-lasting carcinogen.

PUFORCAT Since 1820



The last word
in sterling silver

PARIS 8^e
131 bd Haussmann, Tel. 359 47 50
CANNES
61 rue d'Antibes, Tel. (93) 39 36 86
catalogue on request

Now TWA puts full fare passengers in a class by themselves.

Announcing Full Fare Coach.



We've established a special Full Fare Coach section, to give you a quieter, more comfortable flight.

Full Fare Coach

check-in

Because of the increasing numbers of discount fare passengers the Economy section on many of our flights to America has been full.

Therefore, to make life easier for everyone, we are introducing a new exclusive service for our full fare passengers who travel in Economy.

The service is called "Full Fare Coach" and it starts on October 15.

As a full fare passenger you can take advantage of "Full Fare Coach" service by simply telling your travel agent to book you TWA.



As a Full Fare Coach passenger you don't have to beat the crowds to the airport to get the seat you want. We can give you, or your travel agent, your seat selection for both outward and return trips up to 28 days in advance. Just ask for them when you make your reservation.



TWA
No.1 across the Atlantic.



Full Fare Coach service is subject to Government approval. TWA carries more scheduled passengers across the Atlantic than any other airline.

The Fight to Defend Peace

The dumbest question about the Camp David accords comes from those who insist on knowing, "Who won?" The most dangerous response has come from a few U.S. and Israeli officials who think one side actually did win more than the other. It is grotesque to believe that either Prime Minister Begin or President Sadat would sign agreements that they judge to be gravely damaging to their national interests or to the chances of promoting the peace they pursue. To score their concessions against objectives proclaimed during a year of negotiation may be useful in appraising their rival bargaining techniques, but not the final accords.

The telling questions now are whether the deal can work, and who will help make it work, who will not, and why.

The enthusiasm in both Israel and Egypt is certainly justified. The treaty to end their 30-year war was virtually completed at Camp David. If the Knesset agrees to let Begin bargain away a few Sinai settlements, as it looks it will, the signing could occur on the anniversary of Sadat's journey to Jerusalem, in November. For both peoples, this peace can be only a blessing. They will be safer than they have been in a generation, and both will be able to divert significant resources to economic development. The peace terms ratify their stalemate in war and will thus be virtually self-enforcing. If they were alone in the Middle East, Israel and Egypt would be home free.

But they are not alone. Both depend on U.S. aid, and their peace will further enhance U.S. influence in the region. For the U.S. purpose, more than ever, is to protect Israel while also protecting the West's access to Middle East oil. The less conflict between Arab and Jew, the less tension in these U.S. objectives. The Soviet Union has proved more than once that it can erode U.S. influence by stimulating the Arab-Israeli conflict. The United States is demonstrating that it can protect and even promote Arab interests provided only that they do not threaten Israel's.

Sadat's far-sighted challenge to Saudi Arabia, Jordan, and even to Syria and the Palestinians, is the evidence that he has achieved more for Egypt and gained more from Israel by accepting Israel and aligning himself with the United States than any Arab will achieve through rejection of Israel and dependence on the Soviet Union.

Many Arabs berate him for not retrieving their lost lands, for not insisting on the immediate creation of a Palestinian state, for not chasing the Israelis out of Jerusalem. But it is absurd to denounce him for not achieving their objectives in a negotiation they scorned and for which they refused to grant him their proxies.

The Saudis may not like this split in Arab ranks, but they have no alternative to supporting Sadat, at least tacitly. His enemies in radical Arab nations are also their enemies. And the protection of Saudi wealth will increasingly require collaboration with the United States and a pro-Western Egypt and, one day perhaps, even Israel. Even a grudging Saudi acceptance of the Camp David deal will advance its central premise: negotiation with Israel yields more than war.

* * *

There can be no doubt that the Palestinians, Syrians and Jordanians will be weaker now in negotiation with Israel than before Egypt made its so-called "separate" peace. But only romantics pretend that they are stronger in diplomacy than they have proved to be in war. Without Egypt, there could have been no serious wars — or negotiations — with Israel. Sadat refused to cede a veto over peace terms to the most rabid irredentists brandishing only a hostile Soviet power. But he held the door open to all fellow Arabs with claims on Israel if they accepted its right to recognition and security.

And more than they have yet earned by their own exertions, he still offers them that path. A home for Palestinians willing to coexist with Israel can still grow and flourish in the West Bank and Gaza under the Camp David terms if the Palestinians will deal as shrewdly and constructively with reality as did the Zionists to whom they compare themselves. The state of Israel was not written into existence on a mountain top; it was built in a desert and defended in blood against incredible odds — odds far greater than those still held out to Palestinians by Egypt, the United States and, no matter how reluctantly, Israel.

* * *

Those who denounce Camp David as a betrayal of some Arab interests will surely make it so by their rejections. Those who truly accept Israel and follow Sadat's lead could still be richly rewarded.

THE NEW YORK TIMES.

The Congressional Budget

Congress is now completing its revision of the budget that President Carter presented last January, and the differences are interesting. The country's rising anxiety over inflation can be accurately read in the successive figures for the deficit. In Mr. Carter's original budget, the deficit for fiscal 1979 was to be \$60.6 billion. That was a little higher than in the current year, a circumstance defended as unfortunately necessary to keep the economy expanding. Congress apprehensively shaved it down in the first budget resolution last May. Then came the California tax referendum, followed by the statistics showing that in late spring the inflation rate was back up over 10 percent a year. Now Congress has firmly set a ceiling of \$38.8 billion on the deficit for the year that begins Oct. 1. That's some \$11 billion lower than the deficit for the year now ending, and the lowest since 1974.

* * *

Since the budget deficit is one of those numbers of large symbolic importance, perhaps it is necessary to note that this reduction does not represent much cutting of spending in the conventional sense. One reason for the lower deficit is the size of the coming year's tax cut. Congress does not intend to lighten the tax load as much as Mr. Carter had originally proposed. And then the congressional budget committees have also pulled down the deficit by re-estimating current spending — taking account of the curious phenomenon known as underspending.

Particularly, since the new budget procedure went into effect, with its legislated limits on spending, federal agencies have been careful to err on the high side in calculating their budgets. The result has been that, in the past several years, actual spending has run less than the budget by embarrassingly wide margins. Congress has now taken its clippers to these budget figures and trimmed them down to the amounts that are likely to be

THE WASHINGTON POST.

In the International Edition

Seventy-Five Years Ago

September 25, 1903

PARIS — Comments Charles Glidden, upon being the first to carry the U.S. flag across the Arctic Circle in an automobile: "Ours was the first automobile to venture into the north of Sweden. There being, in fact, just five automobiles in the whole land. This helps, perhaps, to explain why horses, peasants and even youths of 20 so often took to their heels and hid themselves in the woods as we passed. Another curie was the smorgasbord we found in hotel dining halls from which it was the practice to eat only while standing up."

Fifty Years Ago

September 25, 1928

PARIS — The recent offer of the Soviet government to exempt foreign capital invested in Soviet industries from many taxes and restrictions is apparently going unheeded by U.S. financiers. The difficulties the Harriman group faced in getting properly reimbursed for their losses upon investing in the Soviet manganese industry have dissuaded many customers. It is also understood that Henry Ford has recently rejected a proposition to develop the Soviet automotive industry.



'You Should Go to Camp David More Often, Jimmy, It's Done Wonders for You.'

Kissinger on Camp David Talks

By James Reston

WASHINGTON — Former Secretary of State Henry Kissinger, speaking as an historian, has said some arresting things about the Camp David Middle East compromises that are worth some quiet reflection.

He does not regard this conference as a model for future diplomacy, but nevertheless describes the results as "a tremendous achievement" and a tribute to Carter, Begin and Sadat.

The ratification of this "framework for peace" he thinks, will be "painful and anguishing," and in the coming weeks many provocative trivialities and exaggerations will be expressed. But a profound historical process has started, he believes, and if it is given a chance to work, both sides, he insists, will be "living in a different world" within six months.

In Jest

"I'd rather prove my profoundness," he remarks in jest, "by telling you that there are six things wrong with these agreements that nobody else has seen, and that I could have done better, but I regret to tell you I can't."

His main point, as I understand it, is that the areas of agreement reached at Camp David are infinitely more important than the areas of disagreement. For example, if the main elements of Israel's military government are withdrawn in Judea, Samaria and the Gaza Strip for five years, and replaced by the establishment of autonomy and self-administration for the Palestinians and self-administration for the Palestinian Arabs — even with Israeli security forces in pockets of these areas — then Kissinger believes, a wholly new political and psychological situation will begin to develop.

"Don't forget," he says, "the Israelis have never known peace and an Israel at peace with its most powerful neighbor [Egypt] will probably negotiate in a different way from an Israel that has never known how to live in peace."

This was a point President Carter emphasized time and again to President Sadat and Prime Minister Begin when both Egypt and Israel were trying to get everything they wanted reduced to precise terms in the first days at Camp David. If they tried to get everything they wanted in clear and unambiguous words, President Carter insisted, nobody would get anything. Better to be vague than sorry; to keep the peace process going, and leave the hard disagreements for future negotiation.

Road to Peace

Despite this agreement to avoid the stoniest barriers on the road to peace, both sides now have some practical decisions to take in order to implement their compromises. In a remarkable press conference at the Ben Gurion Airport in Tel Aviv — probably the best press conference given by any of the negotiators after Camp David — the Israeli foreign and defense ministers — Dayan and Weizman, emphasize

tors now cannot remember who said what to whom and when — in the exhausting private and public press and television interviews on the event.

Left to the press and the television and the reaction of politicians in Washington, Tel Aviv and Cairo, the Camp David conference is in danger of becoming a question of who won and who lost, and where they all differ. But when historians look back on Camp David, they are likely to agree that the agreements were more important than the disagreements, and that Carter, Begin and Sadat started something here that will influence the history of the Middle East long after all three of them are gone from public life.

Sadat is in trouble now with the

other Arab leaders because they think he has been unfaithful to the Arab cause. Begin has had a triumphant reception in Israel, maybe because, in the short run, he seems to have won too much.

Go It Alone?

But both, for different reasons, may think he can go it alone, even if King Hussein of Jordan refuses to cooperate. Begin may think he is on the verge of a separate peace with Sadat and that he can do it de facto control of the West Bank while giving up military control and allowing autonomy and self-administration for the Palestinian Arabs, but this probably underestimates what happened at Camp David.

For a while now, Kissinger says, everybody will be nit-picking the Camp David agreements, but they will be insists "hit-picking" them in a different world. Maybe for once he suggests everybody ought to shut up and take pride in what has happened in the last few weeks."

U.S. Liberals' Very Own Bias

By George F. Will

WASHINGTON — Sen. Daniel Moynihan's combative ness may be as much characteristic as systematic. He was, after all, Irish before he acquired the convictions of his gift for disputation. In any case, his combative ness is displayed in a letter he circulated among the U.S. Catholic hierarchy after the Senate voted against tuition tax-credits for parents with children in nonpublic schools.

"The institutions associated with social progress in American culture at this time," wrote Moynihan, "are overwhelmingly against us on this issue." In opposing aid for parochial schools, Moynihan said, they were "vindictive" and the Carter administration was almost "vicious."

"Our opposition," he said, "was led by Southern senators," because as the South became "acculturated to Northern liberalism, anti-Catholicism was the one anathema trait . . . which they were permitted to retain." Why? Because anti-Catholicism is one form of anti-Catholicism comparable in spirit to the "institutions associated with social progress."

Tasty Debate

My reading of the long, occasionally testy, often elegant debate in the Senate does not reveal bias on the part of Moynihan's

worthy adversary, Ernest Hollings, D.S.C., or other senators. And Moynihan knows that the public education lobby and its henchmen are moved primarily by aversion in their defense of the state's virtual monopoly on education.

But Moynihan, a Catholic gifted at looking with subtlety below the surface of things, expresses an anxiety shared by many Catholic laymen when he speaks of anti-Catholicism among what he is pleased to call "the institutions associated with social progress."

One of the affecting dramas of the day is Moynihan's struggle to think well of liberals. This is a duty for New York senators, but Moynihan would find it easier were it not the case that, as Peter Viereck says, anti-Catholicism is "the anti-Semitism of the intellectuals."

In an opinion against aid to parochial schools, Justice William Douglas cited, as a source of reliable evidence about Catholic activism, a vituperative anti-Catholic

book comparable in spirit to the Protocols of the Elders of Zion.

Planned Parenthood, a pro-abortion lobby, recently distributed to some college newspapers anti-Catholic cartoons that belong to the Julius Streicher school of argument.

In the 19th century, anti-Catholic

cism became a U.S. political movement, and the spirit of the Know-Nothing party was alive in a recent letter sponsored by various "Civil rights" education, and other "public interest" lobbies. The letter warned that aid to nonpublic schools might foster "viewpoints" contrary to "American principles."

There, in that wispy accusation of "un-Americanism" is the old theme. Nineteenth century nativism expressed itself in the fear that unwashed immigrants, infected with Old World clericalism, could never become "real" or "Integral" Americans and eventually would produce a demographic revolution, swamping "American principles."

Today, anti-Catholicism involves less fury, even less conscious assumptions, and rather obvious political motives. It is in part a manifestation of aggressive conservatism; in part a vague tension for old things; in part an expression of a timeless dilemma.

One of the affecting dramas of the day is Moynihan's struggle to think well of liberals. This is a duty for New York senators, but Moynihan would find it easier were it not the case that, as Peter Viereck says, anti-Catholicism is "the anti-Semitism of the intellectuals."

In an opinion against aid to parochial schools, Justice William Douglas cited, as a source of reliable evidence about Catholic activism, a vituperative anti-Catholic

book comparable in spirit to the Protocols of the Elders of Zion.

Planned Parenthood, a pro-abortion

lobby, recently distributed to some college newspapers anti-Catholic cartoons that belong to the Julius Streicher school of argument.

In the 19th century, anti-Catholic

extracts a surplus from its workers and peasants, consumes a portion of it, and invests the rest for its own future profit as a class in much the same way as the capitalist bourgeoisie in the West does. Were Mr. Klose to make that comment he might be saying something of relevance. Unfortunately he chooses to deal with banalities.

WILLIAM W. HANSEN
Enkenbach, W. Germany

For Catholics, this logical and painful difficulty has been eased by the dilution of "trumpery" assertions, and by the related development, in the 1940s and 1950s, of a theory legitimizing an accommodation of Catholicism to pluralism. The principal theorist was John Courtney Murray, S.J., who was washed in the surf of Southhampton, elevated to an almost unearthly glory (a cover of Time magazine), and accorded remarkable deference as arbiter of good citizenship for Catholics. Ted Sorenson read him an advanced text of John Kennedy's campaign speech to the Houston Baptists.

For Catholics, this logical and painful difficulty has been eased by the dilution of "trumpery" assertions, and by the related development, in the 1940s and 1950s, of a theory legitimizing an accommodation of Catholicism to pluralism. The principal theorist was John Courtney Murray, S.J., who was washed in the surf of Southhampton, elevated to an almost unearthly glory (a cover of Time magazine), and accorded remarkable deference as arbiter of good citizenship for Catholics. Ted Sorenson read him an advanced text of John Kennedy's campaign speech to the Houston Baptists.

The anti-Catholicism that Moynihan detests among liberals lacks the weight of older theories about when foreigners keep the dollar. But there are far better, intrinsic reasons for curtailing energy imports and limiting inflation. If energy imports keep running at present levels, the United States will find that foreign policy is made in Saudi Arabia. If inflation runs on unabated, the U.S. economy will still precipitate a worldwide crash.

Given these overwhelming reasons for action against inflation and energy imports, the better to build up the dollar. But there are far better, intrinsic reasons for curtailing energy imports and limiting inflation. If energy imports keep running at present levels, the United States will find that foreign policy is made in Saudi Arabia. If inflation runs on unabated, the U.S. economy will still precipitate a worldwide crash.

The discussions in Hong Kong, New China, and Peking, according to some sources, are not a standardization of currency, or whether or not to have the renminbi in the international monetary system. They are discussions on the future of the dollar, the renminbi, and the yen.

The discussions in Hong Kong, New China, and Peking, according to some sources, are not a standardization of currency, or whether or not to have the renminbi in the international monetary system. They are discussions on the future of the dollar, the renminbi, and the yen.

The discussions in Hong Kong, New China, and Peking, according to some sources, are not a standardization of currency, or whether or not to have the renminbi in the international monetary system. They are discussions on the future of the dollar, the renminbi, and the yen.

The discussions in Hong Kong, New China, and Peking, according to some sources, are not a standardization of currency, or whether or not to have the renminbi in the international monetary system. They are discussions on the future of the dollar, the renminbi, and the yen.

The discussions in Hong Kong, New China, and Peking, according to some sources, are not a standardization of currency, or whether or not to have the renminbi in the international monetary system. They are discussions on the future of the dollar, the renminbi, and the yen.

State of the Dollar

By Joseph Kraft

WASHINGTON — A strong currency does not necessarily mean a strong economy. Neither does a weak currency necessarily mean a weak economy.

Those home truths need refurbishing for the annual meetings of the International Monetary Fund and World Bank here in Washington this week. For finance ministers and bankers are urging tough U.S. action against inflation and energy imports to shore up the dollar. But while inflation and energy require vigorous measures on the merits, the dollar comes into the equation only in a secondary, or tertiary, way.

The common sense definition of a strong economy is one that supplies a growing abundance of goods, services and jobs. By that standard the U.S. economy has been far stronger than that of any other advanced country.

Disparity

According to the annual report of the IMF, the U.S. economy grew during the last half of 1977 at an annual rate of 5 percent; Japanese growth was at 3.5 percent, and European growth was at less than 1 percent. This disparity has continued in the current year.

According to the same report, the United States used 95 percent of its available manpower and credit resources. West Germany, which has the strongest European economy, used 91 percent; Japan used about 80 percent.

Thanks to its strong economy, the United States has been able to play an exceptionally responsible role in the world. Apart from maintaining security, this country has kept domestic markets open to foreign producers in a far more generous way than the Europeans or the Japanese. U.S. commercial banks, as the Development Report of the World Bank points out, have played a key role in financing the developing nations.

Even as the U.S. economy keeps growing, however, the U.S. currency has been dropping. The IMF reports the dollar declined by 13.5 percent against a basket of all other currencies during the past year.

Deficit</h3

For Laos Tribe, Ex-Allies of U.S., Bitter Battle Against Hanoi Goes On

Ogden Williams, a former New York lawyer and a CIA officer from 1951 to 1961, resigned to join the Agency for International Development in 1962. He was associate director of the U.S. AID mission in Vietnam in 1966-69. He retired from AID in 1974 and is now a free-lance writer.

By Ogden Williams

NONG KHAI, Thailand (WP) — Nhia Kao Yang, 32, slipped quietly into the muddy waters of the Mekong River, the border between Laos and Thailand, at 11:30 a.m. on March 11, the night was dark at 3 a.m., and Yang could wait no longer. His family had not eaten for 10 days and would soon be too weak to move. Hearing no patrols, Yang signaled his wife to slide forward two crude bamboo floats. He put their four children on the floats, tied the family together and then swam, pushing off into the deep water toward Thailand and safety. Forty-five minutes later they staggered onto the Thai shore.

For Nhia Kao Yang, former paid soldier for the U.S. government, the Indochina war was finally over. He still carried his U.S. rifle. Now he would surrender it for the first time and join the ranks of the Meo refugees in Thailand.

Yang is one of the more than 4,000 Meos who have fled from Laos into Thailand since March, leaving about 40,000 earlier Meo refugees. They are fleeing what appears to them and to many observers to be a campaign of extermination being waged against them mainly by units of the Vietnamese Army which occupies and controls much of Laos.

The current offensive against the Meos began on Feb. 10 in the region of Phu Bia, Laos' highest mountain, which rises 9,246 feet above the southern edge of the Plain of Jars, about 80 miles northeast of Vientiane. The Vietnamese first bulldozed roads to bring Soviet PT-76 tanks into action. Vietnamese MiG-21s and Laotian T-28s hit the Meo villages with bombs and napalm while artillery, both captured U.S. 150s and Soviet 130s, pounded the Meo positions, manned by about 3,000 lightly armed tribesmen who were trying to protect 55,000 unarmed villagers.

Final Solution'

At the outset, observers in Thailand were unsure whether this attack was just a standard dry-season punitive operation against the Meos, or whether it truly represented a Vietnamese "final solution" for the unconquered tribesmen, as the refugees seem to believe. But the campaign has continued without letup into the rainy season. And new measures, such as the poisoning of waterholes, the systematic burning of villages, foodstocks and growing crops, and the dropping of a poisonous gas which most observers assume must be tear gas but which appears to have caused some deaths among refugees reaching Thai hospitals, all lend some credence to the refugees' view.

Survivors of the fighting say that the Meos had suffered more than 5,000 casualties in the Phu Bia fighting up to the end of May, and that 3,000 more had tried to flee to Thailand. About 2,200 entered Thai refugee camps between March 1 and May 1, and Thai police officials think that about 1,000 more died during the long trek from Phu Bia to the Mekong. Since May 1, the refugee flow has continued at a



A Meo hamlet in Laos after being struck by enemy guerrillas.

one hand, and a U.S. policy of containment, on the other. The Meos were just delighted to receive help from a powerful friend in their struggle against the traditional Vietnamese enemy.

Less Concerned

The Meos were even less concerned as to which particular U.S. agency was giving them guns. In 1962 they could not foresee that the United States would one day reconsider its policy, or that they would find themselves branded by the victorious Communists as "tools of the CIA." The Meos have never considered themselves the tools of anyone. They regarded the Americans as trusted allies, not masters.

But the Meos' CIA connection has given the new rulers of Laos the perfect propaganda pretext for the policy of near-genocide which they have waged against them since the war officially ended in 1975.

For 13 years the Meos had borne the main burden of the war in northern Laos, paying a terrible price for the U.S. decision — and theirs — to block Hanoi's push into

that strategic area. Vang Pao, now an exile in the United States, estimates that his people suffered 30,000 casualties from a population base of 350,000. On several occasions, particularly in 1971 and in 1972, the Meos staged epic defenses on their never-conquered stronghold at Bouam Long, north of the Plain of Jars, repelling one, and later two, divisions of North Vietnamese regulars — but always at a fearful cost.

The end of the war in 1975 did not halt the decimation of the Meos. Without counting the current offensive, Communist operations are estimated by Vang Pao to have cost his people 14,000 casualties from among the 90,000 Meos who still resist subjugation.

The question is often asked why the Meos do not surrender, given the hopelessness of their situation. The Meo refugees in Thailand reply that surrender is not a real option for those who were associated with the Vang Pao forces and with the Americans. They insist that such people, including women and children, are often simply shot.

According to confirmed informa-

tion, those surrendering Meos who are not shot are taken to "seminar" and then sent to labor battalions from which, since 1975, only a few escapees have returned. Thus Meo resisters feel that surrender amounts to a death sentence and that only two real choices remain — to go on fighting with an ever-dwindling supply of arms and ammunition, or escape to Thailand.

On Nov. 15, Thailand announced a new policy under which refugees were to be turned back. Thai police, seeing refugees attempting to cross the Mekong, reportedly fired rifles in the air to alert the Laotian patrols, who then shot the escapees in the water.

The exclusionary policy has now been modified. New arrivals are confined in district and province detention centers under harsh but not abusive conditions for one to three months, after which, if it is determined that they have relatives in the UN-supported Nong Khai camp or are bona fide political refugees, they are permitted to join the earlier arrivals in the camp.

Almost all the recent escapees end up bare at Nong Khai. As of May 30, the camp had a population

of 17,078 Laotians and 7,378 Meos. About 80 percent of the Meos are families in which at least one member fought in Vang Pao's army.

Food, mosquito nets and other necessities are provided by the United Nations, using funds contributed by 18 non-Communist countries. The U.S. donation averages about 65 percent of the total. In 1977, the U.S. share was \$9.9 million out of a total of \$16.4 million covering all 15 UN camps in Thailand.

The food ration, calculated at 50 cents a person a day, is apparently enough to maintain basic health and there is a small hospital run by two International Rescue Committee doctors.

Sobering Experience

Nevertheless, a visit to Nong Khai is a sobering and troubling experience. It is not the overcrowding, the stifling heat and the minimal living conditions. It is rather that these proud and independent people are condemned to live in a state of suspended animation. They cannot return to the mountains of Laos. The Thai government will not let them settle in Thailand, and other countries such as the United States accept only a few of them after long delays.

Most of the Meo refugees want to go to the United States. Many have relatives there and many knew Americans during the war and revere them, trust and like them. They mention the CIA advisers who they knew by such names as Mr. Tony Digger, Kayak, Bamboo and Black Line. They are also hard workers and have heard from their relatives that the United States is the place to get ahead. Finally, they don't think the United States will ever become Communist.

However, under U.S. immigration policy few are granted entry. The United States has taken about 7,000 Meos from the original Vang Pao contingent which escaped in 1975, but there are about 40,000 Meos still in Thailand. Of this number, about 18,000 consist of families in which the breadwinner fought or worked for the U.S. government. These people are given preference, but no one is admitted to the United States unless immigration spaces are available.

Last year the U.S. attorney general authorized 8,000 spaces for inland refugees from the Thai camps, and 4,897 of these spaces were reserved for former Meo allies. In May, Vice President Mondale announced a new program for 25,000 spaces, of which half would go to the Vietnamese "boat people" and

the rest to inland refugees. The Meos are expected to receive about 5,500 of these spaces. Thus, even when all Meos eligible under all current U.S. programs have left for the United States, about 7,500 will remain.

On Thursday, the Senate approved and sent to the White House a major change in the immigration law that would allow more Indochinese refugees to enter the United States. Under the current law, natives of independent countries in the Eastern Hemisphere are limited to 170,000 immigrant visas a year and those in the Western Hemisphere to 120,000. The bill would combine the two limits for a worldwide ceiling of 290,000.

[The present preference system would remain in effect, under which refugees have seventh priority and get 6 percent of the overall ceiling. This would aid Asian refugees since the visas slated for Western Hemisphere refugees have been largely unused.]

Ability to Adapt

The Meos who have been admitted to the United States are generally considered to have shown remarkable ability to adapt to life there. They have good mechanical aptitudes and are industrious students, quick to learn new skills. They have modest initial expectations and work hard to improve themselves.

In any case, the United States armed and encouraged these people to fight a war in which they suffered enormous losses, and then abandoned that policy, leaving most of them behind to suffer the consequences. We owe them something better than hopeless stagnation in a Thai refugee camp.

One logical, practical and honorable solution would be for the Congress simply to decide that any Meo refugee who worked for the United States or fought for its programs on our payroll will be entitled to entry to the United States, unless accepted first by another country or otherwise excluded under U.S. immigration law.

Such legislation, obviously, would not address itself to the entire Indochina refugee question. It would not take into account the plight of Cambodians who, although they did not work for us or with us, would nonetheless deserve our attention on humanitarian grounds alone. Nor would it deal with other Laotian refugees, but it would be one specific and feasible measure by which we could do justice to a brave and resolute people to whom we owe a special debt.

Sadness Prevails as Whites Await End in Rhodesia

By David Lamb

SALISBURY, Rhodesia — The words are brave, even defiant: "We are here to stay,"

lose. But the concessions may have come too late.

The war costs Rhodesia \$1 million and about 30 lives a day. Every day an average of 36 whites take "the chicken run," abandoning one of the world's most pleasant life-styles for fumes elsewhere. And most every evening the 6 o'clock television news starts with this terse announcement: "Combined Operations Headquarters has issued a communiqué."

The newscaster pauses. The viewers wait. Then the casualties: "Riflemen Whillemus Nydam, 22 and single, Field Reservist Peter Gordon, 23 and single . . . Pvt. Colin Granger, 18 and single . . . an unnamed African family of six, burned to death in their home,"

War has spread across this land with terrible savagery on both sides, sparing no one.

Rhodesia's whites had convinced themselves that they were different than others who came to Africa as colonists and stayed as settlers. Like people of any color anywhere, they agreed only reluctantly to surrender power, for they had much to

lose. But the concessions may have come too late.

The war costs Rhodesia \$1 million and about 30 lives a day. Every day an average of 36 whites take "the chicken run," abandoning one of the world's most pleasant life-styles for fumes elsewhere. And most every evening the 6 o'clock television news starts with this terse announcement: "Combined Operations Headquarters has issued a communiqué."

The newscaster pauses. The viewers wait. Then the casualties: "Riflemen Whillemus Nydam, 22 and single, Field Reservist Peter Gordon, 23 and single . . . Pvt. Colin Granger, 18 and single . . . an unnamed African family of six, burned to death in their home,"

War has spread across this land with terrible savagery on both sides, sparing no one.

Rhodesia's whites had convinced themselves that they were different than others who came to Africa as colonists and stayed as settlers. Like people of any color anywhere, they agreed only reluctantly to surrender power, for they had much to

lose. But the concessions may have come too late.

The war costs Rhodesia \$1 million and about 30 lives a day. Every day an average of 36 whites take "the chicken run," abandoning one of the world's most pleasant life-styles for fumes elsewhere. And most every evening the 6 o'clock television news starts with this terse announcement: "Combined Operations Headquarters has issued a communiqué."

The newscaster pauses. The viewers wait. Then the casualties: "Riflemen Whillemus Nydam, 22 and single, Field Reservist Peter Gordon, 23 and single . . . Pvt. Colin Granger, 18 and single . . . an unnamed African family of six, burned to death in their home,"

War has spread across this land with terrible savagery on both sides, sparing no one.

Rhodesia's whites had convinced themselves that they were different than others who came to Africa as colonists and stayed as settlers. Like people of any color anywhere, they agreed only reluctantly to surrender power, for they had much to

"I can't tell you why we [blacks and whites] don't loathe each other, but we do," says a white businessman, Lance Reynolds. "There is a considerable amount of goodwill on both sides, but right now there is also a growing sense among whites that the situation is about to go out of control."

An Exodus

Government officials estimated that as many as 40,000 whites left Rhodesia, mostly for South Africa and England, in the last 18 months. At least 200 farms have been abandoned or sold for a pittance. Everyone has a contingency plan if Zimbabwe turns into a Congo or an Angola. Predictably, the government's still-active recruitment of white settlers has fallen on slow times.

"Let's be honest," says Ian Campbell of the immigration department. "If you were sitting in the U.K. reading about massacres and planes getting shot down, would you uplift yourself and your family at this point in time and move to Rhodesia?"

But some still do. Each month the immigration office averages 1,000 inquiries from prospective settlers who, if accepted, are eligible for a \$450 transportation subsidy and one week's free lodging. In July, 1,342 whites left Rhodesia and 231 moved bare from other countries to face an uncertain future.

Whether there will be a place for Rhodesia's 225,000 or so whites will be determined by whatever black government takes power in Zimbabwe. Nowhere in black Africa, though, has such a large white community stayed on after independence, nowhere has the economy remained in white hands, nowhere do Europeans feel confident that there is a future in Africa for their children.

"We want a multiracial society here," says Josiah Chimano, a moderate black who has spent long periods in jail as an alleged agitator. "It's critical for the economy that the whites stay, and they'll be welcome as long as they don't exceed special privileges."

"But things aren't heading in a good direction at this moment. We told Prime Minister Ian Smith that unless he settled quickly, the war was bound to escalate. Now there's talk of breaking political parties. What would that achieve? The white wouldn't remove the causes of the war. Unless the causes are removed, Rhodesia could be reduced to ruins."

Three days after the interview, black opposition parties, which had become legal only last May, were banned. Mr. Chimano, the senior official of the Patriotic Front's political wing, fled to London after receiving a tip that he was about to be arrested.

88 Years Ago

The white man arrived in Rhodesia as a colonist 88 years ago this month. In 1923 this California-sized land became the first African colony in the British Empire to gain internal self-government. In 1965, after two years of unsuccessful negotiations with the British, Prime Minister Smith unilaterally declared Rhodesia's independence, carving out a white paradise in the heart of Africa.

Today white Rhodesians are as nationalistic, conservative and indistinct as any people in Africa. The white Rhodesian has the easy informality of an Australian, the stubborn pride of an Englishman. But he is isolated internationally. His national airline is allowed in no other country but South Africa, he cannot mail a letter or make a phone call to neighboring Mozambique, his green passport is honored almost nowhere.

"The problem is, if we have to

leave, where do we go?" asks Luke Erasmus, an insurance agent. "If we go to South Africa, we only face the same situation in another two years. I'm a Mormon, but do you know that with my green passport I can't even get into the United States to visit our temple in Utah?"

Most white Rhodesians simply cannot comprehend why no one reacts out and says, "We are with you," why no one talks about what a remarkably prosperous, orderly and efficient country they have built in just 13 years. They feel betrayed, and in their anger and frustration, they lash out at any accessible target.

An elderly woman turned to an American stranger at a hotel bar one night last week and, with no forewarning at all, volunteered what apparently was intended to be an assessment of Rhodesia's problems.

"I tell you one thing: If John F. Kennedy had been alive, he never would have let Mozambique get away."

Air of Unreality

However blurred the logic, the comment underscored the air of unreality that hangs over Rhodesia, where blacks outnumber whites 28 to 1. Contrasts and contradictions are everywhere. The Titanic is sinking and the orchestra plays on.

Only a month ago, there had been real hope in Rhodesia that an end was near to the war that already had claimed nearly 10,000 lives and closed 800 schools. Everyone appeared prepared to join an all-parties conference: Mr. Smith had held a cordial secret meeting in Zambia with Joshua Nkomo, co-leader of the Patriotic Front, and both had agreed it was time to stop the killing.

Then the optimism collapsed. Mr. Nkomo's men shot down an Air Rhodesia airliner. Thirty-eight persons died in the crash. Ten survivors were reported massacred on the ground. Mr. Smith and the three moderate blacks with whom he signed an internal settlement in March, leading the majority rule this year, responded by toughening their position.

"Isn't it incredible?" asked Dennis Walker, a white parliamentarian. "Every time we come close to some step in the right direction to bring about a peaceful transition, then all hell lets loose on this country."

The trouble, it seemed, was that Rhodesia was always a step behind the events, always reacting instead of acting. Each move was a step too short, a moment too late. As a result, white Rhodesia was no longer the master of its destiny.

© Los Angeles Times



Rhodesian security forces near the Mozambique border.

Vietnam Troop Buildup Alleged

By Fox Butterfield

HONG KONG (NYT) — The bitter dispute between China and Vietnam has spread to Laos, with Peking accusing Hanoi of garrisoning thousands of troops there and reportedly withdrawing some Chinese technicians.

Diplomats here are unsure what precipitated the break in Peking's long silence on Vietnam's growing influence in, if not control over, Laos. But they are watching the situation carefully because Laos is an area where Peking could cause serious difficulties for the Vietnamese at little risk to itself.

Euromarkets

Prices in Dollar Sector Slide
As Short-Term Rates Go Higher

By Carl Gwartz

PARIS, Sept. 24 (IHT) — The apparently bottomless slide on the foreign exchange market and the relentless rise in short-term interest rates finally caught up with the dollar sector of the Eurobond market last week.

Prices were off as much as \$10 for each \$1,000 nominal amount. A good part of the decline was due to market makers' cutting prices, but dealers reported seeing heavier retail selling than in the recent past.

Until now, each time dealers progressively marked down prices investors would appear to snap up the paper on offer.

These buyers have now either turned to dealers or have retreated to the sidelines to sit out the present uncertainty, eliminating any resistance to dealer markdowns. At this point, the biggest threat to the market is the continued rise in short-term interest rates which is lifting the cost dealers pay to finance their investments beyond what they earn from holding the securities. The danger now is that dealers may be forced to dump their holdings rather than simply drop their quotes.

"In the past, dealers could afford not to react because short-term rates were lower," one analyst said.

The major question hanging over the market is where the present rise in short-term rates will end. There is little consensus among professionals — for every expert predicting double-digit rates there is another expert insisting that a credit-crunch of that magnitude is not imminent. But the Federal Reserve Board's admission that domestic money-supply growth is far outstripping what was targeted appears to give weight to the pessimists' view.

The Fed's decision Friday to

raise the discount rate a quarter point to 8 percent in the middle of the business day rather than at the close — the more usual time to announce such an important move — also suggests that the Fed is signaling a tough new approach to domestic inflation.

The only positive element for the dollar sector of the Eurobond market is that the new-issue calendar is virtually bare. Only one new issue was announced, \$30 million, for the Bank of Tokyo. It is selling 15-year floating-rate notes, whose coupon will be set at a quarter point over the middle of the bid-offered six-month Eurodollar rate. The minimum coupon will be 5½ percent. Managers acknowledge the maturity is long and the terms tight but maintain that a relatively small amount for a prime borrower should prove to be no difficulty.

Only one other issue was still on offer — Novo Industri's \$20 million, 11-year bonds convertible into shares of the Danish pharmaceutical company. The coupon is 7 percent and the conversion premium is expected to be around 10 percent.

The dollar offering for intershop, convertible into Swiss-franc denominated shares, was a roaring success. The 20,000 bonds on offer were sold at par with a face value of \$1,200 each carrying a coupon of 5½ percent, down from the 5½ percent initially indicated in light of the overwhelming demand. The bonds are convertible into five shares and the terms represented a conversion premium of 8.5 percent over the price of the Zurich shares at the time of the closing. The bonds ended the week at 103-104½.

Itel's 12-year straight-debt issue

was increased to \$30 million from \$25 million initially indicated

and was priced at par with a

Syndicated Bank Lending

PARIS, Sept. 24 (IHT) — Another round of rate cutting appears to be in the making in the syndicated loan market, despite ever louder protests from bankers that terms are already too low to be remunerative to lenders.

Electricité de France is currently negotiating a new loan with interest payments set to start at ½ percent over the London interbank offered rate (Libor) — the first penetration of the half-point spread since the early 1970s. If the French succeed, it is widely assumed that other prime borrowers will be quick to follow.

The utility is reportedly seeking \$500 million for 10 years with a grace period of eight years and a spread starting at ½ and rising to ¾. It part, EDF says nothing definite has been decided, that it is simply sounding out the market. But it says that reaction to starting with a spread of ¾ is "encouraging."

Swedes, meanwhile, created a furor among banks by seeking to refinance \$1 billion at a lower cost for a longer period without paying any fees on the new operation. The attempt to eliminate the front-end fee, which normally would amount to between a quarter to ½ of a point, failed in the end and the banks clung out a quarter-point fee. The interest on the old loan started at ¾ for four years and rose to 1 point over Libor for the remaining three. The spread on the new loan would be set at ¾ for the entire 10-year maturity. Morgan Guaranty and Chemical Bank, participants of the original loan, decided to participate in the refinancing.

Denmark, by contrast, is attempting to refinance \$1.235 billion of loans raised between 1973 and last year at spreads ranging from 1½ to 1¾ points over Libor at a margin of ¾ over Libor for seven years. Fees on the new operation range up to ¼ percent.

"One other issue was still on offer — Novo Industri's \$20 million, 11-year bonds convertible into shares of the Danish pharmaceutical company. The coupon is 7 percent and the conversion premium is expected to be around 10 percent.

The fact is that banks lost more interest income in refinancing the Danish loans — accepting ¾ of a point over Libor instead of up to 1¾ points — than in the Swedish operation, where the decline in the interest is a quarter of a point. "But the Swedes created a lot of ill-will," says a

(Continued on Page 13, Col. 1)

coupon of ¾ percent. Managers forged a new European monetary system. The 100 million DM, six-\$40 million, but refrained from year, "bullet" for Indonesia, indicating so because of the late week

upset in the secondary market.

Demand in the Deutsche-mark sector of the market was buoyant, supported by new rumors of a currency realignment within the European joint float before France and possibly Italy and Britain join to

(Continued on Page 13, Col. 1)

Commodities
Gold Futures Soar to Record Prices

CHICAGO, Sept. 24 (AP-DJ)

Gold futures prices set records last week in New York as events encouraged investors to turn to gold for protection against the dollar's long slide.

Futures prices on contracts coming in October soared a week's gain of almost \$8 an ounce on New York's Comex to close at \$219.30 an ounce. Silver and platinum prices rose as well.

Brightening gold's appeal was a weeklong credit tightening that culminated in an increase Friday by the nation's central bank, the Federal Reserve, in the discount rate, the borrowing rate for banks.

The failure so far by the Carter administration to produce an anti-inflation program, plus pessimism about the outcome of the Arab-Israeli agreements, drove the dollar further downward against foreign currencies, and a new low was set against the Swiss franc.

"Inflation is still a major problem, and higher interest rates are inflationary," said Steve Chornowitz, an analyst of precious metals with Loebs Rhodes, Hornlower and Co. of New York.

Double Blow

Interest rate futures were dealt a double blow by the Fed's increase in the discount rate. The increase, although not as large as expected, combined with an unexpected Treasury Department announcement Tuesday that it will auction \$1.5 billion of 15-year bonds on Wednesday of this week.

Contracts for Treasury bonds, Government National Mortgage Association certificates and Treasury bills all took net losses on the Chicago Board of Trade and the Chicago Mercantile Exchange.

On the Chicago Board of Trade, the weather and a midweek government report buffeted grain and soybean markets to push soybeans

about 5 cents lower for the November delivery. Corn prices gained slightly during the week and wheat prices rose by about 14 cents for protection against the dollar's long slide.

Soybean and corn prices rose Wednesday on forecasts of cold weather moving eastward from the Dakotas and Nebraska and rain for parts of the Midwest.

Traders, anticipating that the

weather could delay harvest and damage still-standing corn and soybean crops, bought those two commodities heavily, and wheat prices rose on increased export demand.

But a government report that supplies of soybeans on farms and in warehouses nationwide were at 159 million bushels, about one-sixth more than traders expected, sent soybeans, corn and soybean oil prices lower.

On the Chicago Mercantile Exchange, erratic price movements made last week's trading difficult to understand, analysts said.

A major factor was a government hog and pig crop report at midweek that estimated that there are fewer animals on farms in seven key states than there were last year.

Although some traders questioned the accuracy of the report, "they wanted to interpret it as constructive, and therefore it was," said an analyst.

The hog crop estimate was much smaller than expected, indicating tighter supplies in the future, and pork belly (bacon) futures shot upward by a week's total of more than 14 cents a pound for the February delivery, to 67.25 cents a pound. Live hog futures prices also rose to finish the week about 14 cents a pound higher for the October delivery, at 50.4 cents a pound.

Live cattle futures dropped about a cent a pound for the October delivery to close at \$4.57 cents, however, unable to hold gains despite tight cattle supplies.

On New York's Coffee and Sugar Exchange, coffee futures lost more than 7 cents a pound for the September delivery to close Friday at \$1.53½ a pound. Continued oversupply plus the absence of conclusive news on an international coffee organization effort to bolster worldwide coffee prices encouraged selling.

Sugar futures also drifted slightly lower throughout the week.

New York Stock Market

NEW YORK, Sept. 24 (NYT) — The prevailing wisdom in Wall Street is that once the speculation in gambling stocks has been punctured, the general market can resume its climb. Perhaps such a scenario will prove true eventually. But leaders in the casino group underwent a sharp price correction last week, while the general market beat a modest retreat.

Activity in gambling issues has been likened by analysts to the "tulip mania" that afflicted the Netherlands many years ago. But some of the tulips bore a decidedly withered look in recent sessions. The largest losses appeared in Resorts International, the Atlantic City casino operator whose issues trade on the American Stock Exchange.

For the week, the Class A shares of Resorts plummeted 41½ points to 1384. This stock had soared 56½ points the previous week. Meanwhile, the Class B shares tumbled 40 points to 235 after booming an incredible 124½ points the week earlier.

Substantial declines also appeared in Caesars World, Del E. Webb and Bally Manufacturing on the New York Stock Exchange, along with severe price setbacks for hotel-motel issues that had shared in earlier gains with the gambling stocks.

The Dow Jones industrial average dropped 16.11 points during the week to close Friday at 862.44. Only two weeks earlier, this blue-chip index closed at a 13-month high of 907.74. The Dow Jones transportation index, which had moved in gear with the rising industrials during the summer, also lost considerable ground in the last two weeks.

Overall, the market atmosphere seemed to have faded from the ebullience of early September, when the Dow industrials hovered above the psychological barrier at 900 and when one Wall Street said, "The bears seem to be heading for the woods."

While many stocks came under pressure, bond prices in general slumped sharply. On Wednesday a signal that the Federal Reserve was allowing key rates in the money market to move higher set off declines in both stocks and fixed-income securities, or bonds. That same day the Treasury auctioned two-year notes at an average yield of 8.65 percent, or the lowest level since the "credit crunch" in mid-1974.

Meanwhile, in government securities trading, three-month Treasury bills moved to yields of slightly more than 8 percent on a discount basis.

Sales in 100s		Net High		Low		Last Close		Sales in 100s		Net High		Low		Last Close		Sales in 100s		Net High		Low		Last Close		
AccorIn	53	20	113	18	105	14-16	+ 16	Airlift	4975	214-214	142-142	114-114	270-270	+ 16	AmerInd	10	207	73	71	71	71	71	71	-1
AccorIn	214	214	298	218	218	218	-16	Airlift	21	147	133	141	141	141	-2	AmerInd	20	401	21	20	20	20	20	-1
AccorIn	8	21	15	144	144	144	-16	Airlift	20	270	264	272	272	272	-2	AmerInd	20	402	21	20	20	20	20	-1
AccorIn	102	102	102	102	102	102	-16	Airlift	17	147	133	141	141	141	-2	AmerInd	20	403	21	20	20	20	20	-1
AcmeEl	49	54	17	165	165	165	-16	Airlift	16	147	133	141	141	141	-2	AmerInd	20	404	21	20	20	20	20	-1
AcmeEl	50	31	10	94	94	94	-16	Airlift	15	147	133	141	141	141	-2	AmerInd	20	405	21	20	20	20	20	-1
AcmeEl	106	60	49	49	49	49	-16	Airlift	14	147	133	141	141	141	-2	AmerInd	20	406	21	20	20	20	20	-1
AcmeEl	107	75	75	75	75	75	-16	Airlift	13	147	133	141	141	141	-2	AmerInd	20	407	21	20	20	20	20	-1
AcmeEl	207	254	254	254	254	254	-16	Airlift	12	147	133	141	141	141	-2	AmerInd	20	408	21	20	20	20	20	-1
AcmeEl	208	254	254	254	254	254	-16	Airlift	11	147	133	141	141	141	-2	AmerInd	20	409	21	20	20	20	20	-1
AcmeEl	209	254	254	254	254	254	-16	Airlift	10	147	133	141	141	141	-2	AmerInd	20	410	21	20	20	20	20	-1
AcmeEl	210	254	254	254	254	254	-16	Airlift	9	147	133	141	1											

Sales in				Sales in				Sales in				Sales in				Sales in			
100s	High	Low	Net	100s	High	Low	Net	100s	High	Low	Net	100s	High	Low	Net	100s	High	Low	Net
(Continued from Page 9)																			
BairdH.14	71	812	564	12	BairdL.10	72	396	314	12	BairdL.10	124	2614	277	14	BairdL.10	22	115	105	10
BairdL.22	725	854	594	12	BairdL.10	116	1010	10	15	BairdL.10	127	272	274	2	BairdL.10	23	211	214	14
BakerF.14	334	594	778	12	BairdL.10	227	335	226	23	BairdL.10	128	216	214	14	BairdL.10	23	211	214	14
BakerF.16	51	454	45	12	BairdL.10	23	31	164	154	BairdL.10	103	223	23	23	BairdL.10	23	211	214	14
BairdL.14	114	144	104	12	BairdL.10	24	26	24	24	BairdL.10	104	216	214	14	BairdL.10	23	211	214	14
BairdP.12	228	244	224	12	BairdL.10	25	27	24	24	BairdL.10	105	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	26	28	24	24	BairdL.10	106	216	214	14	BairdL.10	23	211	214	14
BairdL.12	127	242	232	23	BairdL.10	27	28	24	24	BairdL.10	107	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	28	29	24	24	BairdL.10	108	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	29	30	24	24	BairdL.10	109	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	30	31	24	24	BairdL.10	110	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	31	32	24	24	BairdL.10	111	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	32	33	24	24	BairdL.10	112	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	33	34	24	24	BairdL.10	113	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	34	35	24	24	BairdL.10	114	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	35	36	24	24	BairdL.10	115	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	36	37	24	24	BairdL.10	116	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	37	38	24	24	BairdL.10	117	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	38	39	24	24	BairdL.10	118	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	39	40	24	24	BairdL.10	119	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	40	41	24	24	BairdL.10	120	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	41	42	24	24	BairdL.10	121	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	42	43	24	24	BairdL.10	122	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	43	44	24	24	BairdL.10	123	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	44	45	24	24	BairdL.10	124	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	45	46	24	24	BairdL.10	125	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	46	47	24	24	BairdL.10	126	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	47	48	24	24	BairdL.10	127	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	48	49	24	24	BairdL.10	128	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	49	50	24	24	BairdL.10	129	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	50	51	24	24	BairdL.10	130	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	51	52	24	24	BairdL.10	131	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	52	53	24	24	BairdL.10	132	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	53	54	24	24	BairdL.10	133	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	54	55	24	24	BairdL.10	134	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	55	56	24	24	BairdL.10	135	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	56	57	24	24	BairdL.10	136	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	57	58	24	24	BairdL.10	137	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	58	59	24	24	BairdL.10	138	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	59	60	24	24	BairdL.10	139	216	214	14	BairdL.10	23	211	214	14
BairdL.10	127	242	232	23	BairdL.10	60	61												

Syndicated Bank Loans

(Continued from Page 9.)

Continental banker: "The fact that they finally accepted to pay a minimum fee does not restore the good will lost trying to erase it." Increasingly, bankers express hostility about how they are being squeezed by borrowers and suggest that "scores will be settled" when liquidity dries up and banks are in a position to dictate terms and withhold favors. Bankers complain that some borrowers are insisting on renegotiating terms on existing loan agreements without going through the exercise of preparing an old loan and refinancing it at new terms. Renegotiation instead of refinancing means fewer new costs for borrowers.

Asked why banks agree to go along with this if they really are unwilling, a loan officer explained that other bank business might be lost with that borrower as well as with firms planning to export goods to that state.

The Russians reportedly are also trying a new approach to the market. Instead of seeking new syndicated loans they are said to be seeking "bilateral deals," in effect buying bank deposits. The Foreign Trade Bank, for example, is in the process of preparing a \$250-million loan and is trying to arrange individual loans of up to \$50 million from banks for up to eight years at 3% of a point over Libor. This method would not only reduce costs — no fees or commissions paid — but also would stand from public view how much the Russians are borrowing and at what terms.

South Korea's Export-Import Bank is breaking new ground, seeking up to \$200 million for 10 years with interest set at 3% over Libor for the first two years and 3% over thereafter. The amount is the largest single package yet arranged for South Korea and the terms are about a full quarter-point above previous loan operations, to win acceptance of what are considered very aggressive terms, managers are talking about delaying actual drawdowns of the loan thereby improving the effective yield to the banks.

IRI, the Italian state holding company, is planning to raise \$500 million for seven years at a spread of 3% over Libor. This will be the first borrowing by IRI under its own name and will not carry an explicit state guarantee.

Costa Rica is raising \$180 million — of which \$70 million is for the government and the rest for the central bank. Interest on the 10-year loan will start at 3% over Libor for the first four years and then rise to 1 percent. Most of the money is refinancing earlier, more costly loans, and only \$25 million is new money. In all, this is the largest single loan package, the longest maturity and the lowest spread the country has yet negotiated.

Argentina's Agua water and power utility is borrowing \$120 million for 10 years at a spread of 3% for the first three years and 3% for the remainder. The state oil company YPF will be next to tap the market, for up to \$300 million, and reportedly will seek an even longer maturity while holding the same rate structure. IPS, a cement company, will be seeking \$250 million for 10 years and attempt to set a new low in spreads offering 3% throughout.

Euromarket

(Continued from Page 9.)

month for 150 million DM for 12 years at an expected 6% percent is said demand for the issue would be expected to run into the same resistance.

Among private placements, Girozentrale Vienna sold 25 million DM of eight-year notes at par with a coupon of 5% percent. South Africa's Iscor is raising 40 million DM in six-year notes carrying a coupon of 8% percent.

The market for DM denominations of Japanese convertibles remains buoyant with the demand for Icos' 80 million DM said to exceed 200 million DM. The eight-year bonds carry a coupon of 3% percent and are expected to carry a conversion premium of around 10 percent. Nissan Diesel Motor is in the market for 80 million DM at identical terms while Kayaba Industry, a supplier to the auto industry, is raising 30 million DM.

The attempt to reopen the French-franc sector of the market ran into difficulty with the franc considered a prime candidate to devalue against the mark before entering the new monetary system. In addition, bankers criticized the decision to reopen with the European Investment Bank, which is notorious for squeezing for the tightest possible terms. Critics say 20 million francs is too big a 10-year maturity too long and the indicated 9% percent coupon as too low. Critics notwithstanding, the managers say the issue is going well.

The EIB is also marketing \$75 million of 10-year and \$125 million of 20-year paper in New York, apparently indicating terms of 8% and 9% percent, respectively.

Panama sold 20 million Units of Account at 9% with a coupon of 8% percent, but trading in the 15-year issue opened at 98-98%. Currently on offer is Kommunalkonstitut, the Swedish municipal financing agency, which is seeking 15 million UA for 15 years with a coupon of 7% percent.

Eurobonds Yield* Week Ended Sept. 20 (U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%
Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

Market Turnover* Week Ended Sept. 22, 1978 (Millions of U.S. Dollars)

International institutions 8.83%
Industrials, long term 8.82%
Industrials, medium term 8.86%
Canadians, dollars, medium term 9.78%
French franc, long term 10.16%
Unit of acc., long term 7.53%

Calculated based on stock exchange

First Since Grove

Palmer Wins 20 For 8th Season

Three of the major leagues' four pennant races moved nearer resolution in Saturday's games, but the fourth — in the American League's East Division — grew tighter.

In the National League West, the Los Angeles Dodgers clinched at least a tie for the title, beating the San Diego Padres, 5-3, while the second-place Cincinnati Reds were losing to the Atlanta Braves, 8-1.

In the National League East, the Philadelphia Phillies doubled their lead over Pittsburgh — from 1½ games to 3 — by sweeping a doubleheader from the New York Mets, 1-0 and 6-3, while the Pirates were losing, 3-2, to the Montreal Expos.

In the American League West, the Kansas City Royals reduced their pennant-clinching number to two, topping the Minnesota Twins, 3-1, while the second-place California Angels were losing to the Chicago White Sox, 5-4.

And in the American League East, the Boston Red Sox closed to one game behind New York, downing the Toronto Blue Jays, 2-1, while the Yankees were crushed by the Cleveland Indians, 10-1.

BALTIMORE, Sept. 24 (UPI) — Jim Palmer became the first American League pitcher in 43 years to post eight 20-victory seasons when he pitched a four-hitter last night to give the Baltimore Orioles a 6-1 triumph over the Detroit Tigers and a split of their doubleheader.

Dong DeCinces hit his 25th home run to help Palmer, 20-12, after a two-run single with one out in the ninth inning by John Wockenshaw gave the Tigers a 4-3 triumph in the opener.

Palmer, who has won at least 20 games in eight of the last nine seasons, became only the third American League pitcher in history — and first since Lefty Grove in 1935 — to win 20 games eight times. Walter Johnson holds the league record with 12 20-victory seasons.

Palmer struck out four batters and walked two to post his 214th career victory.

Red Sox 3, Blue Jays 1

At Toronto, Jim Rice hit his 43rd home run and collected his 387th total base to power Boston to a 3-1 triumph over Toronto. Rice needs 13 total bases in Boston's seven remaining games to reach the 400 mark, last attained in the major leagues by Hank Aaron in 1959. The last American League hitter

Jays Rehire Manager

TORONTO, Sept. 24 (UPI) — The Toronto Blue Jays announced yesterday that manager Roy Hartsfield and his five coaches — Harry Warner, Jackie Moore, Doo Lepert, Bob Miller and Bobby Doerr — will all be back with the club for the 1979 season.

Major League Standings

NATIONAL LEAGUE

EAST

WEST

AMERICAN LEAGUE

EAST

Observer

Modern Times

NEW YORK — This is Reba. She is a child. This is Aramis. He is also a child. Although Reba is a she and Aramis is a he —

I beg your pardon, Reba? You say it's the other way around? Oh, very well. Reba is a he and Aramis is a she. It does not matter. What matters is that Reba and Aramis are modern children.

This is why they do not have old-fashioned sexist, racist, ethnic, socio-psychopolitico-middle-class names like Dick and Jane. They are modern.

This is their mother. She goes to the office every day to earn their daily bread. She is a modern mother.

This is their father. He is a modern father. Why has he not washed the dishes and dusted the windowsills? Why is he staring at the television set?

He is waiting for a football game to begin on the television set. Afterward, he will go out-of-doors and collect his unemployment compensation. He is a modern father.

This is Uncle Carlos. Until five years ago, he was Uncle Herman.

Do you know why Uncle Carlos, once an Uncle Herman, is lying on the couch? He is being psychoanalyzed. He is trying to discover the real self that is the actual Uncle Carlos.

He thought he had come very close five years ago when he discovered he was not an Uncle Herman. He thought he was actually an Uncle Carlos. This is why he changed his name. Now he is not so sure he is an Uncle Carlos at all.

Uncle Carlos has been on that couch for 18 years. Five years as Uncle Carlos, six years as Uncle Bennett and three years as Uncle Oscar. He is a modern uncle.

Look behind these jail bars. Do you see the senior male person? He is Grandfather Otis. Grandfather Otis is a modern prisoner.

Grandfather Otis has made a serious mistake. Three months ago, while walking on a dark street, he saw three young men shoot an old woman in the intestines. The three

young men were arrested and Grandfather Otis made a serious mistake. He pointed them out at the police station as the three young men who had shot the old woman.

The judge set the three young men free without bail. The police fear they will shoot Grandfather Otis in the head if they meet him on a dark street. This is why they have locked up Grandfather Otis.

This is Cousin Harold. Eight years ago, his car struck a tractor-trailer on the turnpike and Cousin Harold was killed.

Clever doctors at a hospital wired Cousin Harold to this machine. The machine makes his heart beat. It has kept it beating for eight years. Unless there is a serious power failure, it will keep Cousin Harold's heart beating forever, and his life insurance company will never have to pay off.

Cousin Harold is a modern dead man. Doctors believe he is the dead man of the future.

Look, Reba! Look, Aramis! Do you see the very old woman?

She is Great Grandmother Gert. She is very, very old. She is a modern great grandmother.

Do you see Great Grandmother Gert crying? She is crying because she cannot remember who you are, and she is afraid of strange young people. She is afraid they will tie her to the bed and strangle her until she tells them where her wedding ring is hidden.

Ah, she is smiling. You have made her smile, Aramis. She thinks that she is you. She thinks she is about to be bundled up and put into the buggy and driven down to the landing. She thinks her father will be getting off the steamer and will bring her a small wooden box smelling of spices and will take her in his arms and laugh and toss her high in the air.

But we have interrupted her. She has business to do. The salesman wants her to sign the contract. See her signature? So spidery. She is signing an agreement to pay for \$2,000 worth of roof repairs.

Later she will be sued in court and make an embarrassing scene, and cry, and ask the bailiff what time the steamer is arriving with her father. She is a very modern great grandmother.

The New York City newspaper strike continues. This is a reprint of a column which ran in February, 1976.

'One cannot really talk about lost paintings for the most part. One can talk about uncontrolled paintings.'

The Prado's 'Uncontrolled' Paintings

By James M. Markham

MADRID (NYT) — The stately Prado, home to one of the world's richest collections of paintings, has crept into the headlines of democratic Spain. Some think it is a healthy embarrassment for the venerable institution, which has changed astoundingly little since it came into being in 1819 as Spain's answer to the Louvre.

The fuss started in July when El Imparcial, a far-right daily that specializes in provocations, claimed that hundreds of paintings were missing from the Prado. Other newspapers joined in, and the figure of 7,000 missing paintings was bandied about. Apparently miffed that they could not get an appointment with the Prado's new director, editor of a slick-covered art magazine, Guadalimar, added acerbic questions of their own.

In truth, paintings do seem to be missing from the Prado, though apparently not thousands of them. But this minor scandal, which is about 100 years old, has succeeded in focusing attention on a larger scandal of misfeasance and mismanagement by successive regimes charged with caring for one of Spain's most precious heritages. "Nothing Has Changed at the Prado" was the headline of the most damning article on the museum's plight.

Lending Policy

"The people in the street think this was the fault of Franco," said José Manuel Pita Andrade, the new Prado director, speaking of perhaps 2,700 paintings that since the middle of the 19th century have been lent to provincial museums, government offices, cabinet ministers, bishops and politicians. "No, I have never been a Francoist, but this was not Franco's fault," Pita Andrade said.

An embarrassment of riches, which first spilled over in 1872 when a vast collection of devotional art was given to the Prado, prompted a series of directors to "lend" paintings that could not be hung in the museum or kept in its storerooms. One loan, in 1896, went to a fictitious parish near Toledo that turned out to be the hunting lodge of a former treasury minister. A decade ago, the Prado rescued a number of Ribera's that in 1882 had been lent to a Badajoz educational institute; some had been hung in a makeshift gymnasium and bore the marks of waywardly kicked soccer balls.

Pita Andrade, who taught art history at Granada University before being named

Prado director earlier this year, has vowed to reorganize the so-called "deposits" that have been carelessly distributed around Spain in the last 100 years. He hopes to concentrate the dispersed paintings, a few of which are hanging in private homes, in places where citizens can view them.

150 Lost

Perhaps 150 paintings have actually been lost, according to Alfonso Pérez Sanchez, the deputy museum director who since 1961 has been hunting down the lost treasure. "One cannot really talk about lost paintings for the most part," he said. "One can talk about uncontrolled paintings." Pérez Sanchez two years ago opened a barrage of criticism at his own museum in four lectures on its history and future; he sees the "uncontrolled paintings" phenomenon as symptomatic of deeper problems of mismanagement and neglect of the Prado. "The Prado simply does not have enough personnel to go and make an investigation of these paintings," he lamented.

Over the decades, the Prado has had a number of close calls and a lot of cavalier management. In 1833, at the death of King Ferdinand VII, nominally responsible for its founding, the Prado's priceless Velazquez, Titians and Bosches were nearly divided among his heirs as royal property. In 1898 several American art dealers were said to have suggested that the Prado's contents, not the Philippines, would do for war reparations from a defeated Spain. With the outbreak of Civil War in 1936, a statue near the museum was hit by a bomb and many canvases were heroically evacuated to the League of Nations in Geneva.

"Better a canary than a Goya!" was a patriotic bit of doggerel sounded during the Civil War, urging that the Prado wealth be turned into guns. But Miguel Azana, the cultured president of the Second Republic, opined that it was more important to save the Prado than the republic itself. As a propaganda move, Pablo Picasso was named director under the republic, but he never set foot in the museum.

Humdrum Job

Such stirring days do not seem to lie before Pita Andrade, an edgy, straightforward man who faces the important, humdrum job of overhauling the museum's administration and securing for it the autonomy it lost in 1968. In that year, the Franco regime, evi-

dently attracted by the handsome revenues the Prado was generating amid Spain's tourist boom, made the museum responsible to a sonorous-sounding but incompetent National Board of Museums. The Prado's board was staffed with a number of far-right and Opus Dei regime luminaries who knew nothing about art.

Now the reformist Suárez government has pledged to end what Pita Andrade calls "an insult to the country and to art" and restore some autonomy to the Prado, enabling it to move quickly on acquisitions and perhaps make the museum into a more living institution by starting lectures, special programs for teachers and a modest research center. A larger budget would permit Pita Andrade to expand his staff of experts, which numbers only a half dozen.

"We don't even have a word for 'staff' in Spanish," mused the new director with a smile. "I am not in favor of a huge staff, but what the Prado does need is a few people who can do cultural work."

At present, the Prado's chief is burdened by a national system of tenured museum cadres who are moved interchangeably around from museum to museum; thus archaeologists preside over a treasure of paintings.

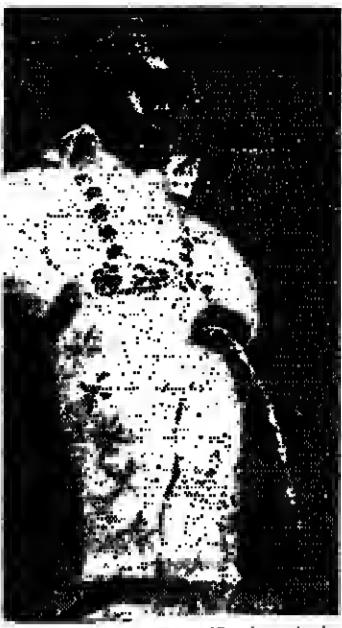
With half of the museum closed as work proceeds on a badly needed air-conditioning system — it will not be finished until 1980, though closed sections will be reopened next year — Pita Andrade says that in some ways this is "the Prado's worst year." Even so, record numbers of visitors continue to march through its curtained and dislocated rooms, more than a half million between May and August.

While the Prado has more paintings than it can exhibit — 2,600 on its walls and 500 in its own basement — there is one painting Pita Andrade says he could certainly find a place for if it returned to Spain: Picasso's "Guernica," which hangs in the Museum of Modern Art in New York City.

"I'm perplexed by the 'Guernica,'" said the Prado director. "In my manner of thinking the MOMA should show under what conditions Picasso put the painting there, but they don't. Though the Prado's collection stops with the 19th century, its director said an exception could clearly be made for one of the great masterpieces of this century.

"I'm not going to keep the 'Guernica' from coming to Spain because someone says the Prado doesn't want it," he said.

PEOPLE: Chagall Window Unveiled In West German Church



A stained-glass window by Russian-born Jewish artist Marc Chagall was unveiled in Mainz, West Germany, during a festive service in St. Stephan's Roman Catholic church. The window in the eastern choir of the Gothic-style church, which was destroyed in World War II and later rebuilt, depicts the story of Abraham. Measuring 10 by 1.7 meters (33 by 5.5 feet) and costing about 200,000 marks (\$100,000), it is a gift from the Rhineland Palatinate state government. It is the first window to be painted for a West German church by the 91-year-old artist, who lives in France.

* * *

A 35-year-old Spaniard has been freed after spending 11 months in jail for passing himself off falsely as the "Duke of Montpensier," a title that no longer exists. The false duke, whose real name is Alejandro Fragoso, said upon release that he only regretted that while he was jailed, people who proclaim themselves no less than pope are walking around free men. He was apparently referring to Clemente Dominguez, the anti-pope Gregorio XVII, based in Seville, Spain. Fragoso had been jailed in Valencia. He had been using the name Enrique de Montijo y Orleans in aristocratic and show business circles but claimed he never used the title to swindle or defraud anyone. Fragoso's case came to trial two days ago. A Valencia court sentenced him to three months in jail, and since his time spent in detention already far exceeded that, he was released.

* * *

A provincial Soviet newspaper has taken Rosalyn Carter to task for disagreeing with exiled Soviet author Alexander Solzhenitsyn. The Communist Party daily Sovetskaya Byelorussia reported Mrs. Carter's reaction to Solzhenitsyn's commencement address at Harvard last June. In a major blast at what he perceived as the "spiritual division" of the west, the former Soviet dissident had complained that "the forces of evil have begun their decisive offensive, you can tell their pressure." Sovetskaya Byelorussia quoted Mrs. Carter as saying she could not feel this pressure and that there is exceptional freedom in the United States for the mind and the spirit. "This can be believed," commented an editorialist.

A provincial Soviet newspaper has taken Rosalyn Carter to task for disagreeing with exiled Soviet author Alexander Solzhenitsyn. The Communist Party daily Sovetskaya Byelorussia reported Mrs. Carter's reaction to Solzhenitsyn's commencement address at Harvard last June. In a major blast at what he perceived as the "spiritual division" of the west, the former Soviet dissident had complained that "the forces of evil have begun their decisive offensive, you can tell their pressure." Sovetskaya Byelorussia quoted Mrs. Carter as saying she could not feel this pressure and that there is exceptional freedom in the United States for the mind and the spirit. "This can be believed," commented an editorialist.

* * *

Belgium's Prime Minister Leo Tindemans and his wife, on a sightseeing tour of the ancient Japanese capital city of Kyoto in western Japan, visited a castle, garden, temple and an old imperial palace. During the visit they were greeted by Japanese sightseers out for the national autumnal-equinox holiday.

—SAMUEL JUSTICE

ESCAPES & GUIDES

LONDON: "LA PARISIENNE" leading correspondence club. Detours from Friends Worldwide, CP-95K Angie, Montreal, Canada H3K 4G5.

PORTUGAL

7 DAYS INCLUSIVE TOURS

FROM LONDON TO:

LISBON & ESTORIL £113

COSTA VERDE (OPORTO) £101

ALGARVE £95

MADERIA £110

AUTOS TAX FREE

U.S. AUTOMOBILES

General Motors, Chrysler, Ford, AMC, 400-600, Dodge, Station Wagons, 400-600, 4-door sedans, some day delivery with Swiss papers and license plates. Payment in U.S. dollars.

RAMPI MOTOR INC., Solingen, Germany, 60, Switzerland, 3000, Tel. 021-265-0573.

IN LONDON: Young attractive escorts, for every occasion, Tel. 01-497-2196.

IN LONDON: Young attractive escort, Tel. 01-497-2196.

IN